

Russian crisis

Yeltsin
breaks out
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Thief of childhood

How US television
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Rafik Al-Hariri

Lebanon's billionaire
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Don't die of exposure

Keep a tight rein on the
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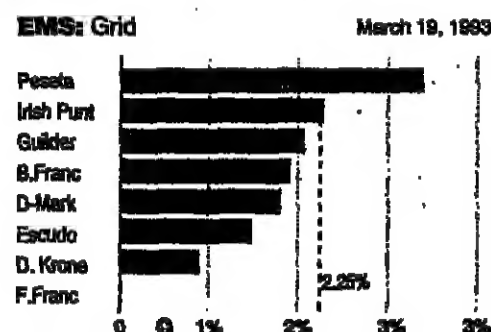
Italian corruption inquiry claims fourth minister

Italian agriculture minister Gianni Fontana became the fourth minister to resign in little more than a month after being officially warned that he could face prosecution in the country's wide corruption scandal. His house and his Lake Garda holiday home have been searched. Meanwhile, a Naples Christian Democrat says he collected billions of lire in bribes for local party leaders. Page 12

Semiconductor dispute: Sharp differences remain between the US and Japan over the semiconductor trade in spite of an announcement that the long-sought US target of a 20 per cent foreign share of the \$20bn Japanese semiconductor market has finally been achieved. Page 12

Japan's financial boost: The emergency economic package Japan is drawing up to stimulate the flagging economy could be worth ¥14,000bn (\$115bn), according to Mr Hiroshi Mitsuoka, the senior politician in charge of co-ordinating the plan. Details will be decided in the next three weeks. Page 4

European monetary system: The next two weeks will prove critical both for the French currency and for the future of the European exchange rate mechanism as a whole. The French currency starts the week in an extremely weak position in the ERM grid, roughly two centimes above its floor against the D-Mark. Currencies. Page 23



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the EMS's narrow 2.25 per cent fluctuation band. In practice, currencies in the narrow band cannot rise more than 2.25 per cent from the weakest currency in that part of the system. The Spanish peseta and Portuguese escudo operate with 6 per cent fluctuation bands.

Brazilian state sales resumes: Brazil's privatisation programme has resumed after a four-month suspension. The government stake in petrochemicals company Poliolefina was sold on Friday at the minimum price of \$66.1m to Odebrecht, one of Brazil's leading construction groups. Page 4

Pirelli battle nears end: Pirelli, the Italian tyre company, is close to ceasing hostilities against Continental after a two-and-a-half year campaign to gain control of its German rival. Page 13

KIO may merge with parents: The Kuwaiti government met to discuss proposals to merge the London-based Kuwait Investment Office (KIO) with its parent institution in Kuwait, the Kuwait Investment Authority (KIA). Page 13

Serbs to be evacuated: General Philippe Morillon, commander of UN forces in Bosnia, has reportedly reached agreement to evacuate Serbs from the northern Bosnian Muslim stronghold of Tuzla. UN sources in Sarajevo said it was hoped to use helicopters to evacuate refugees from the besieged Muslim town of Srebrenica. Nato jets ready. Page 3

German racism fears unfounded: Fears of a new wave of racism and right-wing radicalism in Germany are largely unfounded. Seventy-seven per cent of the population want nothing to do with right-wing extremists, the respected Allensbach Institute, the country's leading polling organisation, found. Page 5

The happy Swiss: Swiss employees are the most satisfied in Europe, followed closely by the Dutch, while UK employees are the least satisfied, according to the latest survey of employee attitudes in eight European countries by International Survey Research. Page 5

VAT casts shadows: The extent of the UK government's commitment to help people deal with the extension of Value Added Tax to domestic fuel is overshadowing other aspects of last week's Budget. Page 12

IRA bomb claims: The Irish Republican Army said it planted bombs on Saturday that killed a four-year-old boy and injured 50 other people in the north-western English town of Warrington. Page 6

Women leave sect compounds: Four women left the barricaded compound of the Branch Davidians religious cult near Waco, Texas, raising hopes for an end to the three-week siege.

Steel jobs warnings: The costs of social compensation for the tens of thousands of European steelworkers likely to lose their jobs when the industry is restructured over the next few years could be much higher than expected. Page 3

Israeli soldiers die: Two Israeli soldiers died in ambushes and troops shot dead four Palestinians in the Israeli-occupied West Bank and Gaza Strip over the weekend.

AC Milan run ends: Italian soccer champions AC Milan lost 1-0 at home to Parma, ending a record, 58-match unbeaten run in the league.

Austria	94.30	Greece	10.00	Lux	1.50	Qatar	OR12.00
Belgium	101.25	Hungary	11.72	Malta	1.00	Saudi Arabia	SR11
Denmark	87.00	Ireland	10.10	Morocco	10.00	Singapore	S\$10
France	100.00	Italy	10.00	Netherlands	10.00	South Africa	Rand 10
Germany	100.00	Japan	10.00	Portugal	10.00	Spain	10.00
Greece	10.00	Sweden	10.00	Romania	10.00	Switzerland	10.00
Ireland	10.10	UK	10.00	Slovenia	10.00	Taiwan	10.00
Italy	10.00	USA	10.00	Slovakia	10.00	Thailand	10.00
Japan	10.00	West Bank	10.00	Slovenia	10.00	Turkey	10.00
Portugal	10.00	Yemen	10.00	Slovenia	10.00	UAE	10.00
Spain	10.00	Zimbabwe	10.00	Slovenia	10.00		

Russian parliament says move to rule by decree an 'assault on constitution'

Yeltsin faces impeachment

By Leyla Boulton in Moscow

RUSSIAN deputies yesterday set in motion moves to impeach President Boris Yeltsin after he declared he would bypass them in asking the people whether he or parliament should rule Russia.

Mr Yeltsin, finally opting for a desperate gamble to stick to his unpopular course of radical reforms and hold on to strong powers to carry them through, has called a popular vote for April 26 although the Congress of People's Deputies has forbidden a formal referendum.

This effectively puts Mr Yeltsin in breach of a Soviet-era constitution which makes the Congress of People's Deputies, or full parliament, the supreme organ of state power.

In an annex to a parliamentary resolution condemning his actions as "an assault on the constitutional foundations of Russian statehood", parliament asked the Constitutional Court to rule whether his actions merited impeachment.

The parliamentary resolution, adopted by 125 votes in favour, 16 against and four abstaining, also called for the prosecution, on charges of violating the constitution, of presidential officials involved in drafting his appeal to the people, broadcast on television on Saturday night. The president said that until the popular vote he would rule by decree. The vote would also seek support for a new constitution which would abolish the present dual parliamentary structure and lead to elections for a new chamber.

The outcome of those deliberations, which are expected this week, appeared in little doubt after Mr Yeltsin's speech, the court's chairman, produced an instant verdict of the president's move as an "attempted coup".

The court, like the parliament, is conservative-dominated. But Mr Zorkin, who first discredited his supposed impartiality by coming out against a referendum which he helped president and



Fistfuls of protest: anti-Yeltsin demonstrators marching to the Russian parliament building in Moscow denounce imposition of rule by decree

parliament to agree to in December, came under attack from one fellow judge for prejudging court hearings.

Mr Zorkin's declarations were part of a split in the country's leadership at the weekend, with leading figures taking sides now in anticipation of a final showdown between the parliamentary and presidential camps.

Vice-president Alexander Rut-

skov, who says he favours strong presidency but is against radical economic reform policies, swung firmly in favour of parliament in this instance. He has now positioned himself as the man to pick up the pieces if things go badly wrong for Mr Yeltsin.

Mr Yuri Skokov, the conservative secretary of the National Security Council, also refused to endorse the presidential gamble.

But the entire cabinet of Mr Viktor Chernomyrdin, parliament's choice for premier, came out in favour of the president's move. They issued a statement supporting "the striving by the popularly elected president not to allow powerlessness, chaos, political confrontation, separatism, nationalism, and crime".

Ministers also vowed the government would guarantee "constitutional legality", personal freedoms, and stable functioning of the economy, transport, and communications.

This means they will attempt to focus on specific reform measures set out in the government's economic programme - including the institution of a restrictive monetary and credit policy.

The gamble being taken by the

west in backing Mr Yeltsin was underlined in a separate parliamentary resolution condemning western leaders' comments over the weekend as "crude interference" in Russia's internal affairs.

"The official positions of a number of states which are traditionally considered democratic but which supported President Yeltsin's anti-constitutional actions cause surprise and regret," said the resolution, adopted by 137 votes to nine.

RUSSIA IN TURMOIL

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■ Ian Davidson

US backs referendum call

By Our Foreign Staff

WESTERN governments have rallied in strong political support of President Boris Yeltsin's decision to call a popular vote on who rules Russia, though differences persist on what practical help can be given to him.

The US took the lead in backing Mr Yeltsin's move as an "appropriate" way of breaking the deadlock between Russia's president and parliament. "President Yeltsin has proposed to break that political impasse by taking it to the people. That is appropriate in democracies," said a White House statement issued after Mr Yeltsin's announcement. "As Russia's only democratically elected national leader, he has our support, as do his reform government and all reforms throughout the Russian Federation."

It added that Russia must remain a democratic country moving towards a market economy. "That is the basis for a continued US-Russian partnership and for a better and more prosperous future for the Russian people."

The US statement was echoed by the European Community, and by members of the Group of Seven leading industrial nations, some of whom were given advance notice of Mr Yeltsin's move. Denmark, which holds the EC presidency, said Mr Yeltsin's measures were an important signal that he intended to continue with reform.

In Bonn, Mr Dieter Vogel, the government spokesman, said the German government has understood for Mr Yeltsin's action towards solving the constitutional struggle through a referendum. "But Mr Klaus Kinkel, foreign minister, said economic assistance would have to be increased so that Mr Yeltsin could push through his economic reforms. "We and the Americans will have to see to it that we

press harder, especially on Japan, for more responsibility in helping [Russia]," he said on German television.

France, meanwhile, stepped up its meeting to discuss aid for Russia. "International aid seems more than ever necessary and urgent to help the transition to a market economy and consolidate democratic reforms in Russia," a foreign ministry statement said.

The Japanese government, which is due to host the next regular G7 summit in Tokyo in July, pledged it would make further efforts to reach agreement with its G7 partners on measures to promote reform in Russia. Mr Hisashi Owada, a senior foreign ministry official, is attempting to clear the way for a mid-April meeting in Tokyo of G7 foreign and finance ministers and is expected to hold talks in London, Paris and Bonn in the next few

Continued on Page 12

German industry cuts staff costs as recession strikes

By Christopher Parkes in Frankfurt

BOSCH, the German electrical, electronics and motor components maker, is to cut pay increases agreed with its domestic workforce in an attempt to reduce costs.

Udde, a chemical plant manufacturer, is to "export" jobs to foreign plants with the same aim in view.

The moves reflect the crushing impact of recession on German industry, which is now running out of "easy" options in its search for payroll economies. Hundreds of companies have introduced early retirement schemes and stopped hiring replacements for leavers.

However, the cost-saving potential of natural wastage is virtually exhausted in many sectors. Compulsory redundancy is almost unknown in Germany, and employers are searching for other means to economise.

Announcing a "first step" at the weekend, Bosch said it would pay a 3 per cent pay increase, agreed with the IG Metall union last year, and due to take effect on April 1.

However, the rise would apply only to national basic pay levels. Other payments would be excluded from the calculation, the group said. Non-union employees, who were awarded a rise last autumn, would be asked to show "solidarity" and take a 3 per cent pay cut from the same date. Management had already agreed to "considerable" salary reductions.

According to early estimates, the measures would save around DM250m (\$150m) in a full year, the company added. Bosch, which slipped into operating losses in the second half of 1992, said at the weekend that improvement was unlikely this year.

"Negative economic developments and increasing competitive

pressure have led to a considerable drop in profits and damaged international competitiveness," a statement noted.

The group has shed 12,000 workers worldwide in the last 14 months, and some 20,000 employees are now on short-time rotas.

The weekend action followed unsuccessful negotiations with workers' representatives in which management sought voluntary cuts on a range of extras and bonuses including 25-year service awards, lunch subsidies, nursing care and spa cures.

At Udde, a subsidiary of chemicals giant Hoechst, management announced a switch of manufacturing strategy in which only 40 per cent of its 3,000-strong workforce would in future be employed in Germany, compared with 60 per cent at present.

Mr Lothar Jaeschke, chief executive, said the costs of employing an engineer in India, for example, were between 50 per cent and 80 per cent lower than in Germany.

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NEWS: RUSSIA IN TURMOIL

Yeltsin maps out the tough road to reform

By John Lloyd

MR BORIS YELTSIN has always asserted that control over the economy and faster progress of reforms were the indispensable elements for resolution of the country's crisis. In his address to the nation on Saturday night he mapped out how this might be done.

What he outlined was a programme for authoritarian reform of the kind many of his advisers have long advocated. It blends a populism with a stricter application of controls and discipline, and seeks to bring the main economic actors under central control to ensure that

they fulfil their reforming duties.

To begin with, Mr Yeltsin will soon issue a decree giving citizens the right to own land: special vouchers are likely to be issued which would give citizens the right to purchase land. For those wishing to become small business owners, preferential credits and tax breaks will be offered.

Bankruptcies, he said, would go ahead. Indeed, a programme of "show" bankruptcies has been prepared for some time. He promised enhanced unemployment compensation for the victims of these bankruptcies - and it is to this where some of the new foreign assistance

now being considered by the Group of Seven industrial countries may be directed.

Mr Yeltsin said the struggle against inflation and the limiting of the money supply will be toughened - though he gave no details. The core issue is the lack of control on the part of the government of the central bank: though Mr Victor Geraschenko, the central bank chairman, is now part of the government (together with the heads of the state pension fund, the Federal Property Agency and the statistical service) and there is still no agreement on strategy. This will be a critical test of the new regime.

Citizens who now see their savings disappear under the impact of 30 per cent monthly inflation will get compensation - not in cash, but in shares in enterprises and in land.

A new effort is to be made to cut out abuses, especially in the privatisation of companies - where those with the largest clout have forced special deals at the expense of the voucher-holding population.

The local heads of administration in autonomous republics and in regions are to be made "directly accountable to the president and the Russian government" because of "numerous instances of leaders in

executive power hindering the implementation of political and economic reform."

This should mean that these people have nowhere to hide before the central government's all-seeing eye: but it will depend heavily on whether the central government has the competence to bring them to book.

The programme would break a number of blocks on route to the market which have been erected by parliament, by the laws passed over the past year and a half and by the constitution itself.

Like much else in the president's statement, it breaks through the

encircling bonds and proposes a relatively unimpeded road to reform.

But it is two-headed: it also puts enormous responsibility on the president and the government for actions and programmes which they must now effect, which they can no longer blame parliament for blocking.

Even if they really have shunted parliament aside, they must work with the same cumbersome bureaucracy, mutinous local leaders, distrustful population, ailing infrastructure and reluctance on the part of foreigners to invest.

They have not lightened their load: they have increased it.

Battle lines begin to form

By Dmitri Volkov in Moscow

OUTSIDE Moscow's White House, again the epicentre of drama, two rival demonstrations, each 3,000-strong, were held apart by police. The Communist one, though, tried to beat up an ABC cameraman.

Inside, too, there was no sign of the unanimity of six months ago, when many of those present were rallying round Boris Yeltsin as hero of the August 1991 putsch. Now, milling about the debating chamber, were Vice President Alexander Rutskoi, Mr Valery Zorkin, constitutional court chief, Gen Pavel Grachev, defence minister, Mr Anatoly Chubais, deputy prime minister, and, of course, Mr Russian Khasbulatov, the speaker.

They were comrades in arms no longer. Gen Grachev, with Mr Victor Baranikov, security services head, stuck doubly to their line: they would observe the constitution and keep the peace.

Mr Victor Chernomyrdin, prime minister and once thought by centrists and conservatives to be a potential fifth column in the presidential cabinet, also stuck doggedly to his brief - to support Mr Yeltsin and proclaim the government would carry on working.

Gen Rutskoi, finally - it seemed - severing his tenuous connection with the man on whose ticket he ran for vice president nearly two years ago, claimed the president had put himself beyond the constitution.

Significantly, he said he and Mr Yuri Skokov, Security Council secretary, had refused to sign the presidential decree declaring "special rule". This means the Security Council loses its organiser and the president a useful counsellor. Gen Rutskoi and Mr Skokov have wide contacts in the administration and armed forces and may now use them.

The Supreme Soviet is often placid, usually relatively well ordered. Yesterday's hastily called session did not make much effort to be orderly: indeed, it probably lacked a quorum but worked on anyway.

Mr Zorkin, ever the peace-maker, said the proceedings should be restrained, especially as it appeared the president's decree on special powers had not been registered and so was not in force.

Even in the shadow of what the majority said was threatened totalitarianism, the Russian bureaucracy ground on at its own pace: or had Mr Yeltsin drawn back? Whatever it was, said Mr Zorkin, "we cannot pretend nothing has happened".

Clinton resolute but sees perils

By George Graham in Washington

PRESIDENT Bill Clinton has committed himself resolutely, but not irrevocably, to the cause of Mr Boris Yeltsin.

With a flurry of supportive statements and a concerted effort to put new wheels on the western aid train, Mr Clinton has made clear he views Mr Yeltsin not just as the current office-holder, with whom the US must deal wily-nilly, but as the best hope for democracy and market-based reform in Russia.

But Mr Clinton is also aware of the perils of hitching his policies too firmly to Mr Yeltsin's wagon - all the more so as he accused former President George Bush last year of the same misguided adherence to Mr Mikhail Gorbachev, the last leader of the Soviet Union.

Several Russian experts and some newspaper editorialists have accused Mr Clinton of making the same mistake. Criticism became especially pointed when an unnamed senior administration official indicated the US would look the other way if Mr Yeltsin were to adopt unconstitutional means in his battle with the Russian Congress.

Former Secretary of State Henry Kissinger, who has consistently warned against pinning US policy too firmly to any one leader, sees a strong possibility of Russia relapsing to Pinochet-style authoritarian rule under one of a number of contenders, including Mr Yeltsin.

But politicians from both US parties have been more understanding of Mr Clinton's predicament, generally concurring he has no choice but to support Mr Yeltsin, at least as long as the Russian leader is committed to battling the Congress at the ballot box rather than the streets. Some, indeed, would like Mr Clinton to make even clearer whose side he is on.



Valery Zorkin, chairman of the Constitutional Court (left): "[Your decision] suspends the basis of the Russian constitution [and] leads to further destabilisation of society, with all the ensuing consequences... you are discrediting yourself as the president."

Gen Alexander Rutskoi, vice president (right): "This order [of Yeltsin's] will lead to a split in society and in the state... Major disputes will start in the society, followed by the use of force and the spilling of blood... respected Boris Nikolayevich, I beg you to change your announcement on television."

'I am counting on understanding for my actions'

The following are extracts from President Boris Yeltsin's address to the nation on Saturday.

In June 1991 you elected me President, entrusted the government of the Russian Federation state to me. Then, for the first time in the thousand-year history of the country, a choice was made, a choice of head of state and a choice of the path which Russia should follow.

"The choice was extremely tough and responsible - either, as before, head down the communist dead end, or begin deep reforms so as to take the road of progress, along which all

civilised humanity is moving...

"The Congress is trying to limit the president, his strivings to give land to the people and to preserve Russia. Possibilities of a search for accord with the conservative majority of the deputies' body are completely exhausted...

"The Congress refused to listen to the voice of the country, it refuted the opinion of the overwhelming majority of voters, but the Congress is not Russia. In these conditions the president is obliged to take on him-

self the responsibility for the fate of the country. On me as president lies the state obligation, in the conditions of major changes which Russia is undergoing now, to furnish observation of the very bases of the constitution, and first and foremost of people's power, federalism, the division of powers, and human rights and freedoms...

"I have given the order to the Ministry of Defence not to allow the use of the army for political ends.

"I confirm that henceforth concern about the armed forces, about servicemen will

be one of the most important tasks of the Russian state. I especially want to stress that my order guarantees the observation of human rights in its full measure.

"Esteemed citizens of Russia, I will be frank: I am minded to act resolutely. I think that there is no other way in the situation that has taken shape.

"If political squabbling is not halted, if no resolute measures are taken to resolve the political crisis, if no powerful momentum is given to the economic reforms, the country will be pushed into anarchy.

Viktor Stepanovich Chernomyrdin, chairman of the Council of Ministers, has been instructed to present, within two days, a list of priority economic measures.

"The list should provide first for measures to resolve the land question; a simple and understandable mechanism for handing land over to citizens as private property is needed.

"I am counting on the support of the country's main political groupings. I shall continue my dialogue with them on a draft for a new constitution and implementation of economic reforms, and on how they can work together with

the government.

"Esteemed fellow citizens, I am proposing a way out of the crisis that is civilised and based on the fundamental tenets of the constitution, without extreme or arbitrary measures, without tanks or barricades, without street rallies or strikes.

"You yourselves, the citizens of Russia, will decide everything by your vote. This will be your choice, the choice of the people. I am counting on understanding for my actions and I ask you to support your president. I believe I have your support."

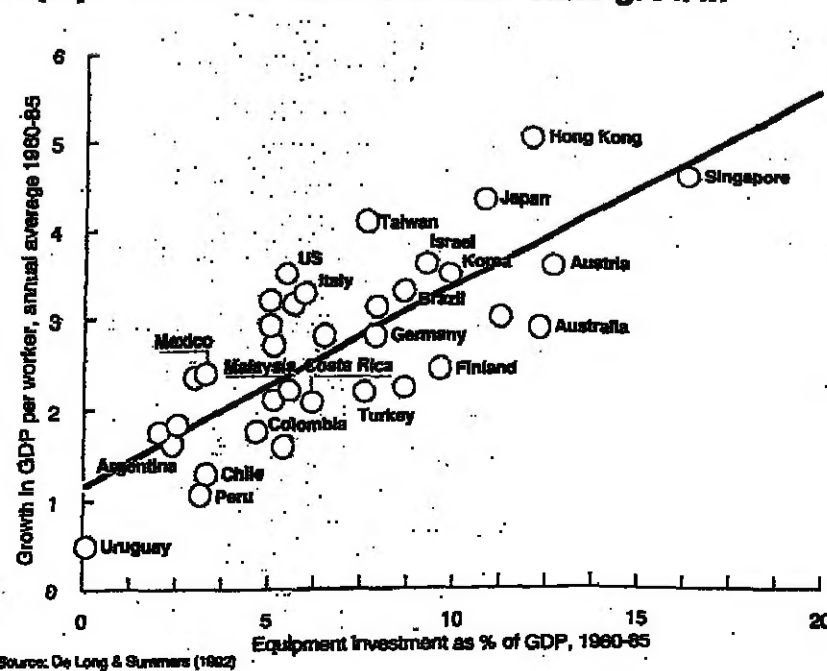
INTERNATIONAL ECONOMIC INDICATORS: PRICES AND COMPETITIVENESS

Yearly figures are shown in index form with the common base year of 1985. The real exchange rate is an index throughout; other quarterly and monthly figures show the percentage change over the corresponding period in the previous year and are positive unless otherwise stated.

UNITED STATES					JAPAN					GERMANY					FRANCE					ITALY					UNITED KINGDOM					
Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate	
1987	105.6	100.7	103.8	96.7	95.4	101.2	92.5	103.1	100.6	131.5	100.1	95.1	108.0	107.1	122.9	105.9	97.8	107.6	102.0	102.6	111.0	103.2	111.8	105.6	102.3	113.0	113.2	126.2	108.8	97.5
1988	109.9	103.2	108.9	98.1	91.8	102.2	92.3	107.8	98.2	140.3	104.4	96.2	113.0	106.8	125.3	112.6	108.8	115.4	105.5	92.3	124.2	113.1	125.8	112.4	107.2	121.8	119.0	137.2	113.6	96.4
1989	115.2	108.5	110.0	98.9	85.8	104.9	94.2	114.0	96.1	132.2	104.2	98.3	117.3	107.9	121.0	116.4	107.1	120.5	110.0	86.7	131.8	117.8	124.7	118.9	113.7	133.3	126.0	150.1	123.2	102.3
1990	121.5	113.8	113.8	100.9	80.9	108.2	95.7	120.1	98.2	114.8	107.0	101.0	123.8	110.4	125.0	120.0	105.8	125.8	114.0		140.3	121.7	147.9	131.3		141.2	133.0	162.4	130.3	100.0
1991	125.8	116.3	117.3	103.5		111.8	96.8	124.4	101.6		110.7	103.4	131.8	114.9		123.3	104.0	130.5			147.7	155.9				146.4	138.0	173.1	132.4	
1992	130.4	117.7	120.1	103.1		113.8	95.8	126.1	110.5		115.1	104.8																		
4th qtr.1991	2.9	-0.2	2.8	1.7		3.2	-0.1	3.2	5.0		4.0	2.4	n.a.	6.6	2.9	-3.8	n.a.	2.7			6.1	3.1	10.6	12.8		4.2	5.0	7.8	2.3	
1st qtr.1992	2.0	0.4	2.6	-0.1		2.1	-0.6	2.5	8.2		4.3	2.0	n.a.	4.5	3.1	-3.0	n.a.	1.8			5.8	1.4	9.2	3.2		4.1	4.5	8.6	3.5	
2nd qtr.1992	3.1	1.3	2.9	-0.5		2.6	-1.0	2.4	8.7		4.5	2.0	n.a.	3.8	3.1	-1.1	n.a.	2.8			6.5	2.0	8.0	5.0		4.2	3.6	5.9	1.2	
3rd qtr.1992	3.1	1.6	2.3	-0.1		2.0	-0.9	1.0	8.7		3.5	1.0	n.a.	6.1	2.7	-0.9	n.a.				5.2	1.9	3.7			3.6	5.5	8.2	2.0	
4th qtr.1992	3.0	1.5	2.0	-0.9		0.9	-1.2	0.2	7.9		3.7	0.5	n.a.		2.2	-1.5	n.a.				4.8		2.9			3.0	3.4	5.7	-0.2	
January 1992	2.6	-0.4	1.7	0.7	n.a.	2.0	-0.7	4.6	7.9	n.a.	4.0	1.8	n.a.	4.8	2.9	n.a.	n.a.	n.a.	n.a.		6.1	1.3	9.4	n.a.	n.a.	4.2	4.5	7.5	4.0	n.a.
February	2.8	0.8	3.5	-0.1	n.a.	2.2	-0.8	1.2	8.8	n.a.	4.3	2.0	n.a.	3.6	3.0	n.a.	n.a.	n.a.	n.a.		5.3	1.5	9.1	n.a.	n.a.	4.1	4.4	7.8	1.6	n.a.
March	3.2	1.1	2.6	-0.7	n.a.	2.2	-0.8	1.7	8.8	n.a.	4.8	2.5	n.a.	3.4	3.2	n.a.	3.6	n.a.	n.a.		5.5	1.4	9.1	n.a.	n.a.	4.0	4.6	10.3	4.9	n.a.
April	3.2	1.1	3.4	-0.6	n.a.	2.8	-0.9	1.3	8.7	n.a.	4.9	1.9	n.a.	1.7	3.1	n.a.	n.a.	n.a.	n.a.		5.7	1.8	8.8	n.a.	n.a.	4.3	3.5	5.0	-0.5	n.a.
May	3.0	1.1	2.6	-0.8	n.a.	2.3	-0.9	1.1	11.8	n.a.	4.5	2.0	n.a.	1.7	3.0	n.a.	3.8	n.a.	n.a.		5.7	2.1	4.6	n.a.	n.a.	3.9	3.6	5.9	1.7	n.a.
June	3.1	1.8	2.6	-0.3	n.a.	2.5	-1.0	3.8	5.7	n.a.	4.2	2.0	n.a.	4.3	3.0	n.a.	3.8	n.a.	n.a.		5.4	2.1	4.7	n.a.	n.a.	3.7	3.8	5.5	1.7	n.a.
July	3.2	1.7	1.7	-0.2	n.a.	2.0	-0.8	2.3	8.8	n.a.	3.3	1.1	n.a.	8.9	2.9	n.a.	n.a.	n.a.	n.a.		5.4	1.9	4.0	n.a.	n.a.	3.7	3.8	5.5	1.7	n.a.
August	3.2	1.6	2.6	-0.4	n.a.	1.8	-0.9	-1.5	11.4	n.a.	3.8	1.1	n.a.	5.2	2.7	n.a.	n.a.	n.a.	n.a.		5.2	1.9	3.5	n.a.	n.a.	3.6	3.4	6.5	1.8	n.a.
September	3.0	1.5	2.5	0.3	n.a.	2.2	-0.9	1.4	8.8	n.a.	3.6	0.8	n.a.	4.3	2.8	n.a.	3.5	n.a.	n.a.		5.1	1.9	3.7	n.a.	n.a.	3.6	3.4	6.5	1.8	n.a.
October	3.2	1.7	1.7	-0.5	n.a.	1.2	-1.1	1.5	8.6	n.a.	3.7	0.5	n.a.	7.8	2.4	n.a.	n.a.	n.a.	n.a.		4.9	2.0	4.1	n.a.	n.a.	3.8	3.4	5.7	1.1	n.a.
November	3.0	1.3	1.7	-1.0	n.a.	0.6	-1.1	1.5	9.4	n.a.	3.7	0.5	n.a.	7.8	2.1	n.a.	n.a.	n.a.	n.a.		4.6	2.2	2.1	n.a.	n.a.	3.0	3.3	6.3	0.2	n.a.
December	2.9	1.8	2.5	-1.3	n.a.	0.9	-1.2	-0.7	10.3	n.a.	3.7	0.5	n.a.	7.8	2.0	n.a.	3.8	n.a.	n.a.		4.7		2.4	n.a.	n.a.	2.6	3.5	5.4	-0.8	n.a.
January 1993	3.3	1.8	2.5	-1.8	n.a.	1.0	-1.1			n.a.	3.4	0.8	n.a.	7.8	2.1	n.a.	n.a.	n.a.	n.a.		4.7		2.4	n.a.	n.a.	1.7	3.6	5.0	-2.2	n.a.
February	3.3	1.8			n.a.	1.3				n.a.	4.2	0.5	n.a.		2.1	n.a.	n.a.	n.a.	n.a.		2.1	n.a.		n.a.	n.a.	1.8	3.7			n.a.

Statistics for Germany apply only to western Germany. Data supplied by Datastream and WEFA from national government and IMF sources. Consumer prices not seasonally adjusted. Producer prices not seasonally adjusted. US - finished goods, Japan - manufactured goods, Germany - industrial products, France - intermediate products, Italy - total producer prices, UK - manufactured products. Real exchange rates: not seasonally adjusted, relative to earnings in manufacturing (except France and Italy (wage rates in industry). Hourly except Japan (monthly) and UK (weekly). Unit labour costs: seasonally adjusted, measured in domestic currencies. Germany - mining and manufacturing, other countries - manufacturing industry. Real exchange rate: IMF real effective exchange rate based on relative unit labour costs (non-normalised). A fall in the index indicates improved international competitiveness.

Equipment investment and economic growth



Post-communist dilemmas for would-be activists

IT IS ironic, as well as potentially disastrous, that the collapse of communism and the consequent pleas for western aid and trade arrived at just the time when western capitalism was slipping into one of its periodic bouts of recessionary angst. Russian President Boris Yeltsin might feel disappointed at the rather lukewarm support, financial or otherwise, that the west has been able to offer him over the past 18 months as his post-Soviet day of reckoning has approached. Warm words of support, he may reflect, are one of liberal capitalism's cheaper commodities.

Yet the collapse of the Soviet planned economy has also made economic and political life very difficult for western governments with activist inclinations. The electoral failure of the French Socialists suggests that left-inclined governments must offer something more than monetarism laced with protectionist rhetoric. The challenge for US President Bill Clinton, elected to reverse a decade of "trickle-down" economics, is to find a government activism which works.

The US administration has chosen to emphasise the need to raise the low level of US investment in order to raise productivity and growth. Professors Bradford De Long and Lawrence Summers, previously economists at Harvard University and now key members of Mr Clinton's Treasury team, have exhaustively investigated the relationship between investment and economic growth. Their findings confirm that those countries which achieve a high level of equipment investment do tend to have higher rates of growth of output per head.

The link exists, they argue, because the technical expertise of the workforce depends on the availability of capital on which to learn and gain experience. Hence equipment investment is much more important for growth purposes than investment in buildings and residential construction. They find that each extra percentage point in the equipment investment share of GDP raises growth by 0.3 percentage points compared to a mere 0.02 percentage points for other investments.

But is the link causal? The correlation is

certainly powerful - differing levels of equipment investment explain about three quarters of the variation in output growth among relatively high productivity countries and two fifths when developing countries are included - but does this imply that more investment means more growth, or instead that fast growing economies tend to attract more investment?

De Long and Summers' answer leads directly to their policy prescriptions. If the causal chain ran from growth to investment,

Bosnia peace talks reach an impasse

Nato jets ready to enforce no-fly zone

NATO has completed plans to enforce a no-fly zone over Bosnia, with the United Nations expected to approve the use of allied fighters this week to shoot down Serb or other aircraft over the republic, Reuters reports from Brussels.

At the same time negotiations on peace talks to end the war reached an impasse at the weekend with mediators Mr Cyrus Vance and Lord Owen evaluating how or whether to keep the negotiations going.

Bosnia's Muslim President Alija Izetbegovic has refused to participate in any formal talks with the Bosnian Serb leader, Mr Radovan Karadzic, as long as the stage of the east Bosnia town of Srebrenica continues.

At issue in the peace talks is a map splitting Bosnia into 10 semi-autonomous provinces, largely along ethnic lines. Bos-

nia's Croats have accepted this plan but both the government and the Serbs have rejected it. Nato sources in Brussels said the no-fly zone enforcement operation would be run from a Nato air headquarters at Vicenza, north-eastern Italy, and would probably include fighters from the US, Britain and France.

"We're ready to go, just as soon as the UN tells us," said one Nato official. Various plans were available, ranging from simple patrolling of the skies to bombing airfields in Serbia and elsewhere if necessary.

While Nato will run the operation, it will be under the strict political control of the UN, which can stop or modify the operation as it likes.

The UN imposed the no-fly zone over Bosnia last October

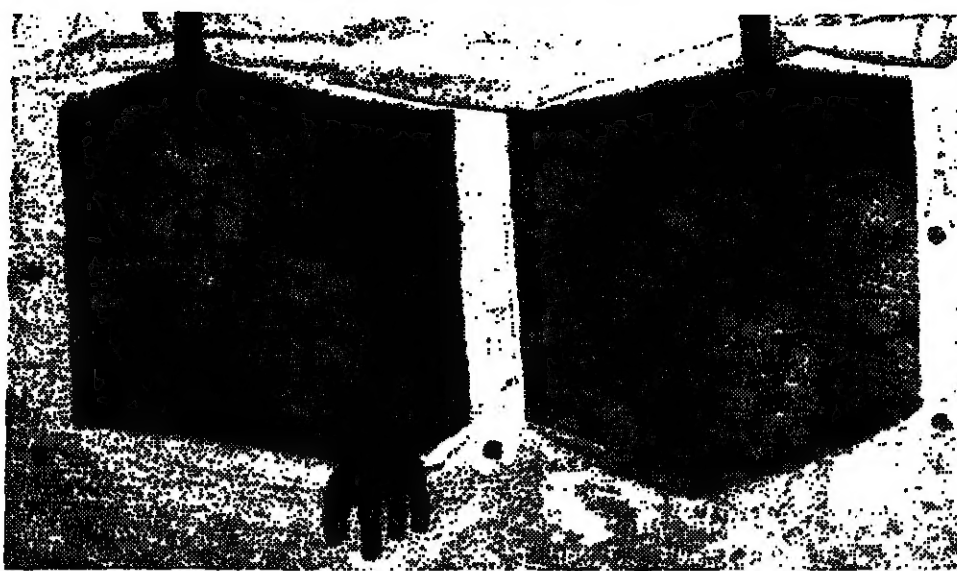
to stop air attacks. The flight ban has been violated more than 450 times since then, mostly by the Serbs.

The UN Security Council is expected to vote for enforcement this week, after light aircraft carried out the first confirmed bombing raids against Muslim villages in Bosnia and then flew off in the direction of Serbia one week ago.

The resolution is also expected to include a "warning period" of days or even weeks before enforcement begins.

In eastern Bosnia, General Philippe Morillon tried to put together a deal with Serbs and Muslims yesterday to get aid flowing again to starving Muslims there.

Gen Morillon, commander of UN troops in Bosnia, left the headquarters he has set up in Srebrenica for talks with both



Evacuees from Srebrenica peer out of the UN lorry taking them out of the besieged Muslim town

warring parties after 18 trucks with supplies for the besieged Muslim town were blocked on the Serbian-Bosnian border.

A UN military source in the border town of Mali Zvornik, where the Danish trucks were stranded for a second day, said the French general had talks in the Bosnian Serb town of Bratunac before driving on to the Muslim stronghold of Tuzla.

US aircraft dropped more aid over Srebrenica early on Sunday but, for the first time, scattered individual packets rather than pallets to try to prevent starving inhabitants from killing each other in the chaotic scramble for food.

Meanwhile, the besieged Bosnian capital, Sarajevo, came under heavy artillery attack yesterday after two days of relative calm.

Serb artillery unleashed a ferocious barrage on the Old Town area and the residential neighbourhood of Vratnik at dawn.

Shelling, apparently from Muslim positions, also rained down on the airport, hub of the international relief airlift for the besieged capital, and closed the road leading from it into the city, UN officials said.

Strike threats loom larger in east Germany

By Judy Dempsey in Berlin

THE THREAT of strikes among eastern Germany's engineering, metal, electrical and steel sectors increased sharply at the weekend after the DGB federation of trade unions said it would organise "a week of resistance" in support of higher wages in the region.

But Mr Tyll Necker, president of the German Industry Federation, said demands for a 26 per cent pay increase on April 1 in the five eastern states was "a little mad".

The DGB said it wanted to show that it opposed the decision by Gesamtmetall, the employers' association, to renege on a contract made with IG Metall, the engineering union, in March 1991. That contract would have brought east-

ern German wages up to western German levels by April 1994. The 26 per cent pay rise, due next month for eastern German engineering, metal, electrical and steel employees, was part of that agreement. Both the DGB and IG Metall say the employers want to end the system of collective wage bargaining, which would mean that employers would be free to set their own wages. Mr Heinz Werner Meyer, president of the DGB, warned at the weekend that "eastern Germany would have no future as a cheap wage country".

So far, the government has issued no statement about the pending strike. But Mr Karlheinz Blessing, Social Democratic party secretary, said "a strike, provoked by the employers, was the last thing the new states wanted".

Building equipment demand set to fall

By Andrew Baxter

DEMAND FOR construction equipment in Europe is likely to fall by 8 per cent this year as the boom in Germany caused by reunification passes its peak, according to a forecast by the London-based Corporate Intelligence Group. The predicted decline follows a 3 per cent fall in the European market last year to 95,901 units, and sales are expected to fall by a further 7,000 units this year.

If that happens, the group said, the market would have declined by 15 per cent since 1989.

The surge in equipment sales in Germany has been the one bright spot in the industry over the past three years. Unit sales rose by 23 per cent last year to 44,555, and Germany now represents 47 per cent of the European market, compared with 18 per cent in 1989 for the former West Germany.

Sales in Germany had bene-

fited from the influx of new citizens from eastern Europe, and the work to be done in the new federal states.

Wheeled loaders, hydraulic excavators and small earth-movers had been bought in great quantities.

But 1993 had started slowly, and overall sales were likely to fall this year by 13 per cent to 38,955, the group said.

"In the bonanza of selling in the east, there are many dealers of very doubtful financial standing and by the end of 1993

there will probably be quite a shake-out in progress.

"There is the worry that rental fleets recently created will be under-used, with banks reclaiming machines and forcing them back on to the used equipment market at low prices."

In spite of the decline, however, the German market will still be about 120 per cent bigger than in 1988, and German sales will continue to dominate the European market. All other countries apart

from Austria and Denmark declined last year, with the sharpest falls in Finland, Sweden and Spain.

Overall the group said 1993-94 would be a period of continued difficulty for construction equipment producers, and real recovery was unlikely before 1995-96.

Report £100 from Corporate Intelligence Group, 51 Doughty Street, London WC1N 2LS.

VME plunges to \$94m net loss. Page 14

Danish doubts on Maastricht

DANISH voters are increasingly doubtful whether to vote for the Maastricht treaty and Denmark's opt-outs agreement in the May 18 referendum, according to a Gallup poll published yesterday, writes Hilary Barnes.

The poll indicated 47 per cent would vote yes, compared with 54 per cent in favour in a poll in early February. Some 25 per cent said they would vote against, unchanged from February. The "don't know", however, increased from 13 to 24 per cent.

Warning on cost of EC steel job losses

By Hilary Barnes in Nyborg

THE COSTS of social compensation for the tens of thousands of European steelworkers likely to lose their jobs when the industry is restructured over the next few years could be much higher than expected, according to Mr Martin Bangemann, EC industry commissioner. He was speaking after a meeting of EC industry ministers in Nyborg, Denmark at the weekend.

Neither he nor other participants were prepared to quote figures, but the implication of Mr Bangemann's statement appears to be that redundancies will be in the upper range of estimates made at the ministers' meeting in Brussels on February 25. It was said then that 50,000-100,000 jobs might have to go as crude steel producers and rolling mills were closed.

NEWS IN BRIEF

Belgians at odds on austerity plan

BELGIUM'S centre-left government failed after a weekend marathon of talks to agree on an austerity plan to cut the country's huge debt, Reuters reports from Brussels. A government spokeswoman said there were still serious differences among the coalition parties and that plans to present the austerity package to parliament today had been scrapped.

The Christian Democrat and Socialist parties agree on the need to find an extra BF110bn (\$3.3bn) by the end of next year, either in savings or in extra revenue. However, the Socialists want to avoid higher taxation, while the Christian Democrats favour large spending cuts and extra taxes.

Turkish Kurd peace hopes rise

Turkish Kurds marked the Nowruz spring festival with only minor outbreaks of unrest yesterday, keeping alive peace hopes raised by a guerrilla ceasefire, Reuters reports from Cizre.

A 15-year-old youth, one of six civilians wounded by bullets when police broke up an unauthorised demonstration by Kurds in the southern industrial city of Adana, died of his wounds, a police official in the city told Reuters. A child was injured and 200 people were detained in Adana, according to the police chief. But there was no repeat of last year's Nowruz bloodbath in which about 100 people died, most of them civilians.

Tanks, armoured cars and sharpshooters kept a tight grip on the south-eastern towns of Cizre and Silopi. There were few signs of trouble from Kurdistan Workers' Party guerrillas, whose leader has called a unilateral 35-day ceasefire.

Dutch Sunday newspaper closes

The Netherlands' only Sunday newspaper has folded after just 23 issues, marking the failure of the second attempt in 30 months to persuade the Dutch to acquire the habit of reading a Sunday newspaper, writes Ronald van de Krol in Amsterdam. HP/De Tijd op Zondag blamed lack of advertising for its demise. The newspaper, which had 55,000 subscribers, faced high costs because of a union ban on Sunday printing that forced it to print in Belgium.

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Notice of Redemption
To the Holders of

Weingarten Realty Investors
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NOTICE IS HEREBY GIVEN, pursuant to the provisions of Section 1105 of Indenture dated as of May 9, 1988 (the "Indenture"), between Weingarten Realty Investors ("Company") and Chemical Bank, as Trustee, that pursuant to Section 1101 of the Indenture, the Company has elected to redeem all of its outstanding Convertible Debentures Due 2003 (the "Debentures") on April 22, 1993 (the "Redemption Date") at 106% of the principal amount thereof, plus accrued interest thereon to the Redemption Date (the "Redemption Price").

On the Redemption Date, the Redemption Price on the Debentures will become due and payable upon presentation and surrender thereof (in the case of coupon bearer Debentures together with all appurtenant coupons maturing subsequent to May 9, 1993 attached) at the main offices of Chemical Bank in London and Frankfurt, at the main office of Kredietbank N.V. in Brussels and at the main office of Banque Internationale a Luxembourg S.A. in Luxembourg.

On and after the Redemption Date interest shall cease to accrue upon the Debentures.

The Conversion Price is U.S. \$29.50 for each U.S. \$1,000 principal amount of Debentures per Common Share so converted. The right to convert the Debentures will terminate at the close of business on the Redemption Date. Debentures to be converted should be surrendered at the offices listed above.

By: **CHEMICAL BANK,**
as Trustee

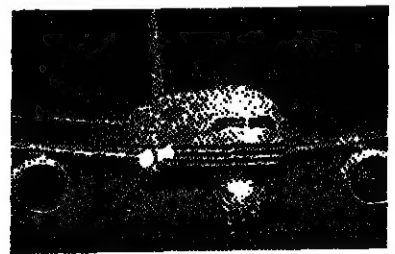
Dated: March 22, 1993

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 31% of any gross payments made within the United States to certain holders who fail to provide us with, and certify under penalties of perjury, a correct taxpayer identifying number (employer identification number or social security number, as appropriate) or an exemption certificate on or before the date the securities are presented for payment. Please therefore provide the appropriate certification when presenting your securities for payment.



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BOEING

Experts are at a loss to explain the surge, writes **Emiko Terazono**

Last week the government announced that the economy grew by only 1.5 per cent last year, the slowest rate of growth for 18 years, largely because domestic demand is still feeble. Meanwhile, Japan's political leadership is again under the shadow of a political scandal, involving tax evasion by Mr Shin Kanemaru, until

But if the facts are clear, the causes are not. Mr Sasaki and more conventional analysts cannot agree on whether the market's revival is the product of clever government intervention or whether prices have ended their three-year slump. Could the surge be a long-awaited harbinger of a revival in the rest of the economy? Politics has had a huge

In addition, the performance of one stock, Nippon Telegraph and Telephone, the partly state-owned telecommunications group, has driven the market higher. The LDP has suggested that NTT may be allowed to raise its charges, which should boost its profits.

How long will the rally last?
Mr Hideo Sakamaki, president of Nomura Securities, at the weekend told 400 of his managers the stock market surge was

As Mr Jason James, a strategist at James Capel, puts it: "Sell as Mr Miyazawa steps on the plane."

By Christina Lamb
in Rio de Janeiro

The government is expected to face serious difficulties over the next auction: that of the Rio-based National Steel Company, scheduled for April 2. The company is regarded as a symbol of Brazil's industrial might. Rio's governor intends to oppose the sale.

● Mr Rhsen Resende, finance minister, says the government will impose "strict vigilance" over prices by strengthening the Price Monitoring Department though it will not reintroduce controls.

Spain Socialists see support fall

Mexico's economic growth slows

According to government figures, growth slowed from 1991's 8.6 per cent despite a strong increase in total investment of 13.9 per cent and in private investment of 20.4 per cent. Such investment failed to stimulate growth further because of rapid depreciation of existing capital stock.

Siemens, in partnership with two Shanghai companies, will also produce 500 sets of base station sub-systems each year from 1994 at a plant in the city's Pudong development zone. Agreement for the \$50m project was signed this week with Changjiang Communications and Fude Communications Technica

The Export Credits Guarantee Department, the UK government's export credit agency, is guaranteeing two buyer credits, one for \$672m, and a second for HK\$300m, for work awarded to GEC Alsthom as a member of a consortium with General Electric of the US. The loans are being arranged by Schroders, the UK merchant bank.

Invitation for Prequalification

Firms that will be prequalified, shall be invited to bid for these services. The invitation for Prequalification may be purchased from the Holding Co. for Mining, Refractories and Building Materials at its premises, 9 Str. Nr. 9B - Maadi - Cairo for an amount of USD 250, - or the equivalent in Egyptian Pounds.

Submission date of Prequalification Documents by the interested firms is Thursday, April 15, 1993.

Prequalification Documents shall be submitted to:

**The Chairman
Holding Co. for Mining, Refractories and
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IN THE SUPREME COURT OF HONG KONG
IN BANKRUPTCY NO. 8120 OF 1982

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Name of company: Wads Construction Company Limited. Registered No: 403649. Trading name: Wads Construction Company Limited. Trade classification: Builders. Name and address of Joint Administrative Receivers: David John Stokes and David James Watkinson, 20 John's Lyford, 1 East Parade, Stifford ST 16 2ET. Officer holder numbers 26652 and 5732. Date of appointment: 12 March 1992. Name of appointor: The Royal Bank of Scotland plc. Signed David Stokes
Dated 12th March 1992

No 001572 of 1993
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF

**IN THE MATTER OF
COMPANIES ACT 1985**

NOTICE IS HEREBY GIVEN that a Petition was presented on 19th February 1992 to the Hon. Mr. Justice May in His Majesty's High Court of Justice for the winding up of the said Company on the ground of the reduction of the capital of the said Company from £2,130,930 to £1,431,814.

AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before His Majesty's Judge in the Royal Courts of Justice, Strand, London WC2A 2LL on Wednesday the 31st day of March 1992.

ANY Creditor or Shareholder of the said Company who wishes to oppose the making of an Order for the winding up of the said Company or for the sanctioning of the reduction of capital should appear at the time of the hearing of the said Petition before the said Judge.

A copy of the said Petition will be furnished to any such person requiring the same by depositing any such person's request for the same, together with an undervalued Solicitor's bill on payment of the costs of the same, in the office of the said Judge on or before the 21st day of March 1992.

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UNITED AIRLINES

and is near for dogged Paris premier

By William Dawkins in Paris

MR Pierre Bérégovoy can take cold comfort when he departs as French prime minister from the fact that his successor will have little choice but to carry on his own economically rigorous policies.

The right has promised to make some fine adjustments, such as accelerating Mr Bérégovoy's partial privatisations. But the broad approach, especially on the firm franc, will probably be the same.

This is partly because the disciplines of membership of the European Monetary System leave almost no margin of manoeuvre and partly because the right's solutions to unemployment are not very different from the failed prescriptions that contributed to the Socialist's downfall.

It is also a tribute to Mr Bérégovoy's doggedness in holding a firm economic line in a Socialist government that did not always give him whole-hearted support. The one achievement for which he has said he wants to be remembered is the control of inflation, now at a mere 2.1 per cent, well under half its mid-1980s level.

Mr Bérégovoy, 67, has been an effective prime minister: neither brilliant enough to get in President François Mitterrand's way - a mistake which cost Michel Rocard the job - nor erratic, a mistake which led to the dismissal of Mr Bérégovoy's predecessor, Mrs Edith Cresson.

Steering this middle way has made Mr Bérégovoy appear sometimes unexciting, a criticism also levelled at his possible successor, Mr Edouard Balladur. A low profile may be a useful quality for French prime ministers.

Yet despite his alleged grays, Mr Bérégovoy has been an electoral asset for the Socialists as one of the few members of the government to have solid working-class credentials, a quality expected to help him regain his parliamentary seat at Nevers, where he is a popular mayor.

His origins are very different from those of many of his colleagues and advisers, with bourgeois backgrounds and a training in the elite public administration colleges. Mr Bérégovoy never even went to high school and failed the entrance exam for St Cyr military academy.

The son of a Ukrainian grocer, he was a machine tool operator before joining the SNCF railways, where he became a prominent trade union member, and then took a junior management job at Gaz de France, the state utility.

He went into politics as a member of the left-wing Parti Socialiste Unifié, a precursor of the Socialist party, where he worked for Pierre Mendès-France, the one-time prime minister whom he cites as his mentor. He joined the inner circle of French politics as Mr Mitterrand's chief of staff in 1981, just as the Socialist president first took office. It was from there that he later went to the Finance Ministry.

Mr Bérégovoy is said to suspect that some have held his lack of civil service education against him. Indeed, in one widely quoted jibe, a graduate of the Ecole Nationale d'Administration is said to have remarked: "You only have to look at Mr Bérégovoy's socks to see that he is an honest man." That remark has lost some of its significance since he admitted receiving an interest-free loan from a later disgraced businessman.

Whoever Mr Mitterrand chooses from the UDF/RPR coalition as Mr Bérégovoy's successor, the style is at any rate likely to switch back in line with France's traditional ruling élite. The new incumbent might have smarter socks, but he is likely to tread roughly the same policy path.



Bérégovoy: cold comfort

Serious clash of wills likely with President Mitterrand after election French right in a tough mood

By William Dawkins and David Buchanan in Paris

PRESIDENT François Mitterrand will no doubt have some soul-searching to do in the next week or so after last night's crushing defeat of his Socialist party, its worst result for 25 years.

The exact make-up of the national assembly will not be known until the results of next weekend's second round of voting. But the first exit polls last night made this much clear: that the alliance of conservative RPR and centre-right UDF will win between three-quarters and 85 per cent of the 577 assembly seats, a record majority. The Socialists will be lucky to get 10-12 per cent, thereby losing more than two-thirds of their present MPs.

If voters go the same way in the second round, the new right-wing government will be able to exert its will against the weakened but still crafty Mr Mitterrand as never before. The right had a majority of only four seats in the last "cohabitation" government of 1986-1988. This time, Mr Jacques Chirac,

RPR leader, has promised that the president will be allowed no "private domains", suggesting that a serious clash of wills is on the way.

Mr Valéry Giscard d'Estaing, former French president and current UDF leader, refused to be drawn on what section Mr Mitterrand should take as a result of last night's humiliation. "It is a matter for him," he said.

Mr Alain Juppé, RPR secretary-general, was more blunt. "To govern, you need continuity and unity at the head of state. My profound wish is that Mr Mitterrand draws the consequences if these results are confirmed in the second round," he said. While the right would not govern aggressively, it would make no concessions.

Mr Chirac, by contrast, warned his supporters against "an excess of optimism". He was perhaps sensitive to the fact that the UDF's (the UDF and RPR alliance) overall share of the vote, at around 40 per cent, was roughly the same as in the last general election in 1988, when the Socialists won a relative parliamentary majority with 37.5 per

cent of the vote, which compares with the 19 per cent or so they were estimated to have gained yesterday.

Even so, RPR officials were astonished at the size of their forecast victory. "It is almost too much. It won't be healthy if there is no structured opposition in the national assembly," said Mr Bernard Pons, the party's chief parliamentary whip.

The next important battle will be between the RPR and UDF, for the choice of prime minister. By tradition, Mr Mitterrand chooses a prime minister soon after the end of the second round from the party with the most seats. Under the written constitution, he is free to choose whom he likes.

Computer forecasts indicated yesterday that the RPR would have slightly more seats than the UDF. The Gaullists won just over 20 per cent of the votes, indicating between 240 and 260 national assembly seats, while the centre-right got 19 per cent, or between 200 and 240 seats, according to the projections. However, that could change given the fact that RPR and UDF failed to make a

complete electoral pact and are standing against each other in 69 seats.

The other big surprise last night was the poor showing of the two ecology parties, Les Verts and Génération Ecologie, which appeared to have won a mere 8.5 per cent seats, less than the extreme right-wing National Front, which did better than expected with 12 per cent of the vote.

In pre-election polls the ecologists were winning as much as 16 per cent of the vote at the peak of their popularity at the turn of the year. This sudden decline means the green pair could end up with no seats - it has none in the current assembly - while the National Front, which now has one MP, could win up to three seats.

Ecology leaders attributed this to the fact that many of their own candidates had joined the party as an experiment and therefore lacked conviction in voters' eyes. The signs are that their disillusioned former supporters swung right rather than left, another indication of the strength of last night's broad swing away from the Socialists.

Left braced for the landslide

By Alice Rawsthorn in Paris

MR François Albert, a retired building worker, has voted Socialist all his life and sees no reason to stop now. "I'm not saying this government has been perfect, but at least they've done their best," he said yesterday after casting his vote in the first round of the French parliamentary elections at the town hall of the 4th arrondissement in Paris.

"The polls say the right will win this time. Maybe they will. What will happen to pensioners like me then?" Mr Albert, like the rest of the French electorate, will find out next Sunday after the second and final round of voting in the elections which, according to exit polls, the centre-right RPR/UDF coalition is set to win by a landslide.

The atmosphere in Paris yesterday was as downbeat as the rest of the campaign. The tour-

ists milling around Paris yesterday in the spring sunshine could have been forgiven for not realising an election was in progress. Because of tight campaigning rules, there were none of the blockbuster advertising campaigns that mark the final days of US elections, nor the eager canvassers who badger voters outside other European polling stations.

The only signs of the French vote were a few fly posters, odd splashes of graffiti and the official billboards of smiling candidates.

Moreover the tone of the campaign, the 10th parliamentary polls in the Fifth Republic, had been subdued even by French standards. The apparently inevitable conservative landslide, coupled with President François Mitterrand's determination to stay on at the Elysée Palace until the 1995 presidential poll, sapped the electorate's enthusiasm.

THE MAIN PARTIES: from the Left to the Right



Communist leader
Georges Marchais

• We have always been underestimated since the start of this campaign... We invite the electors to vote Communist to say what is in their hearts, rather than to commit themselves ideologically to all we stand for.



Founded 1920. Once had 168 MPs in 1946, but controlled only 26 seats in 1988.

Want to tax speculation and control export of capital to promote investment at home, and to move towards a 35-hour work week without any reduction in pay.

Hostile to reform of EC farm policy and to Gatt negotiations.

Generally against the Maastricht treaty, particularly to joint European defence.



Verte leader Antoine
Waechter

• Having deceived us for 10 years, the Socialist Party has been counting us for the past 10 months.



Founded 1984. No MPs.

Campaigning on a common policy with Génération Ecologie, but is ideologically more anti-nuclear and pro-conservation than its partner.

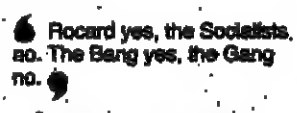
Answer to unemployment is to move directly to a 35-hour work week and job promotion (municipal clean-ups) in the non-market economy.

Spilt on Maastricht, prefers "a Europe of regions."



Génération Ecologie leader
Brice Lalonde

Responding to Michel Rocard's offer to form new left-wing coalition as a political Big Bang.



Founded since the last parliamentary election by Brice Lalonde, who quit his job as environment minister in the Rocard government to set up the party in 1989.

No MPs.

Supporters include many disillusioned Socialists.

Same broad policy as the Greens, but more pro-EC.



Michel Rocard, former prime minister and Socialist, likely presidential candidate

• What we need is a broad movement... embracing reform-minded ecologists, centrists faithful to a social tradition, truly renovated communists... a political Big Bang.



Long history, but modern party dates from 1971. Their 1988 victory with 266 seats (including those of 19 allies) brought them back in power.

They have maintained a strong franc and a modest programme to sell-off of companies they nationalised when they first entered government in 1981.

Faced with mounting unemployment, they have proposed work-sharing.

The government agreed to EC farm reforms last year but has threatened to veto a Gatt deal.



Union pour la Démocratie Française leader
Valéry Giscard d'Estaing

• The fact that there will be a coherent new team in government, with clear ideas, will be a factor for confidence.



Founded in 1978 as a federation of five separate centre-right parties.

Won 128 seats in 1988 election.

Fighting current election on a common platform with the RPR under the name of Union pour la France (UPF).

The UDF is more free-market and pro-EC than its RPR partner, and more favourable to decentralisation.

Large majority of RPR leaders favour keeping the franc strong.

But RPR, for which most farmers vote, is very hostile to both EC and Gatt farm reforms.



Rassemblement pour la République leader
Jacques Chirac

In warning President François Mitterrand not to try to thwart a future conservative government.

• We will accept no obstacle of any kind to our action. Nothing and no one will prevent us from applying our policies.



Founded in 1947 by de Gaulle but later renamed.

Won 125 seats in 1988.

More nationalist and anti-EC than its UDF partner.

The common platform of both parties calls for privatisation, budget cuts, and autonomy for the Banque de France.

Large majority of RPR leaders favour keeping the franc strong.

But RPR, for which most farmers vote, is very hostile to both EC and Gatt farm reforms.



Front National leader
Jean-Marie Le Pen

• Immigration is the chief cause of rising unemployment, insecurity, taxes and welfare payments.

Founded in 1972 by Mr Jean-Marie Le Pen. Party currently has one MP.

Extreme-right wing.

Policies centre on immigration.

Would give priority to French in jobs, housing and welfare, and organise the return home of immigrants.

Strongly anti-Maastricht.

Left? Right? Fed up? Vote for me! Secret pollsters keep tabs

By David Buchanan in Paris

BRINGING the total number of candidates to a record 5,169 in yesterday's first round of voting were more than a dozen fringe parties - ranging from left- and right-wing splinter groups, to single-issue movements such as those for and against shooting and fishing, to the "Fed Up" party.

Most of these several hundred fringe candidates were knocked out last night, under the rule that only a candidate gaining 12.5 per cent of registered votes can go on to the second round of voting for the

parliamentary elections on March 28.

But some will have helped to spoil the chances of mainstream candidates. The Citizens Movement is fielding 52 candidates, many of them drawing votes away from Socialists, even though this party's founder, Mr Jean-Pierre Chevènement, the dissident Socialist ex-minister, is still a Socialist party member and running for re-election himself on its ticket.

Muddying the waters in the centre of the political spectrum is the Movement of Reformists, inspired by Mr Jean-Pierre Soisson, himself an oddity as the current non-Socialist farm minister in the government of Mr Pierre Bérégovoy, prime minister.

The countryside has spawned many mini-parties - the "Hunting, Nature, Fishing and Tradition" party (strong in Dordogne and Picardy), their more numerous opponents in the "New Ecologists" Rally for Nature and Animals, and the hardline farming opponents of EC farm reform who have formed "The Stakes for France" movement.

To complete the political gamut of open-air enthusiasts,

there is also the "Rally for Sport" pledged to give "sport the place it deserves in our society".

Mysterious to most voters is the "Natural Law" party. Active in Britain in the general election last year, this movement has now crossed the Channel with a promise to deal with high French unemployment by levitation.

By contrast, many voters could probably identify with the "Fed Up" (Ras-le-Bol) party, but since it fielded candidates only in Lorraine, only voters there had an actual chance to do so.

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By David Buchanan

THE possibility of surprise last-minute upsets in French elections exists because the country's electoral law forbids the publication of opinion polls within a week of polling day.

But no French government has an excuse for being taken aback by any 11th-hour turn-around in public sentiment, because it has a secretive political department within the Interior Ministry which is the envy of many regular pollsters.

It is able to call on the services of several hundred inspectors, who often interview a much wider sample of the public (up to 2,000 people) than

the regular pollsters do. But, as one RG inspector told Libération newspaper, they are not straightforward about their identity. "When someone asks who we work for, we say that we are doing subcontract work for some institute whose name is known. To say that we are policemen would falsify the replies."

Yet the RG believes it forms a valuable role. "Weakened by decentralisation, the state has more and more need of an institution to supply it the information which will help it take its decisions," the inspector said.

Another poll published on Friday did show, however, that the small minority supporting the far right is still creeping up in size.

The Republicans, the leading representative of far-right views, gained 6 per cent support in the latest Politbarometer published by the ZDF television channel, compared with 5 per cent in February. At a general election, that would be enough to gain seats in the Bundestag.

As for the big political parties, the opposition Social Democrats have slipped back two points to 38 per cent, since their poor showing in local elections in the state of Hesse. They are now neck-and-neck with Chancellor Helmut Kohl's Christian Democrats, which means they could well be condemned to co-operate in a "grand coalition" if there were an election tomorrow.

Swiss are most satisfied employees in Europe

By David Goodhart, Labour Editor

SWISS employees are the most satisfied in Europe, followed closely by the Dutch, while UK employees are the least satisfied, according to the latest survey of employee attitudes in eight European countries by International Survey Research.

ISR, which interviewed about 310,000 workers for the survey, asked people's reactions to 15 aspects of their work such as communications, pay, job security and company identification.

It found that, except for the UK, north European workers are far more satisfied than southern European employees. After the Swiss and the Dutch come the Belgians and the Germans, then Spain, France and Italy, with the UK last.

one of the 15 categories. That category is pay, where the Dutch came top.

UK workers were in the top half of the eight countries in only two categories, management and benefits, and have the most negative attitudes of all towards the quality of their work and training and their companies' communications. They also score lowest on company identification and feel the most insecure in their jobs.

An earlier survey in 1982, part of the same programme of research for a group of large companies, found Spanish workers the least satisfied, followed by Italians. The fact that they have now been overtaken by UK employees may reflect the severity and depth of recession in the UK.

Spanish employees are still relatively negative about their management, pay and training but they identify strongly with

their employing organisations. The French have the most unfavourable attitude of all towards pay, work organisation and working relationships.

German employees feel they are efficient, have good working conditions and are satisfied with their jobs. But they are critical of the way they are organised, managed, communicated with and trained. They have the most negative attitudes of all to their immediate bosses.

The categories attracting the highest average favourable response across the eight countries are job satisfaction, working relationships and operating efficiency. The least favourable responses came from pay, communications, benefits and performance and development.

ISR International Survey Research Ltd, Albany House, Petty France, London SW1H 9EE.

Opinion poll suggests fears of racism wave are unfounded Germans dislike neo-Nazis

By Quentin Peel in Bonn

GERMANS do not like having neo-Nazis as their neighbours. They like them even less than drug-addicts, drunks and left-wing revolutionaries.

As for anti-Semitism, it is a feeling still harboured by only a small minority of the German population, and it is not on the increase. It is no more significant than it is in neighbouring France.

Those clear conclusions emerge from an opinion poll of the German population, which suggests that fears of a new wave of racism and right-wing radicalism in the country are largely unfounded.

On the other hand, it does suggest that Germans are still pretty choosy about precisely who is coming to live next door to them, but more on grounds of behaviour than of race.

The opinion survey carried

out by the respected Allensbach Institute, the country's leading polling organisation, decided to test attitudes to foreigners and political extremism by asking: "Who would you not like to have as your neighbour?"

The result showed that "right-wing extremists" were the nastiest neighbours of all: 77 per cent of the population want to have nothing to do with them.

That compares with 67 per cent who do not want drug addicts next door, 66 per cent who single out "heavy drinkers", and 61 per cent who are equally hostile to "left-wing extremists".

The one minority group in the German population which is clearly the object of prejudice is the gipsies: 64 per cent do not want them as neighbours, either.

Of all the national, religious or racial groups mentioned, the

Jews are disliked by the smallest proportion: just 7 per cent. "People with large families" are more unpopular - on 8 per cent - and the vague definition "people of a different race" is ruled out by the same proportion.

A similar poll carried out in France in 1990 showed very similar degrees of prejudice: 77 per cent did not want Jews next door, 13 per cent did not want "immigrants" (12 per cent in Germany), and 18 per cent did not want Moslems (17 per cent in Germany).

The Allensbach institutes concludes: "The overwhelming majority of Germans are shocked by and full of contempt for those who believe that German unification can be used to spark a major nationalist blaze... Germans distance themselves from political extremism, and this distance has not decreased in the past two years, but rather, it has

grown."

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NEWS: UK

Banks consider revealing fewer account details

By John Gapper,
Banking Correspondent

BRITAIN'S main clearing banks may soon end the 150-year-old custom of disclosing information about customers' accounts without their permission.

Confidential proposals drawn up by the British Bankers' Association plan to end the practice by most banks of automatically providing personal credit references when they receive a "status inquiry" from another bank acting on behalf of a third party.

The custom has been criticised for potentially allowing private detectives and companies to mount "fishing expeditions" about individuals' accounts.

The association is proposing a new system under which banks would stop disclosing information to each other. They would instead respond directly to inquiries from individuals or companies about a customer, but only with the customer's written consent.

The new arrangement could

be launched later this year, if approved by banks on the association governing council. It may lead to an amendment to the banking code of practice, which currently says banks will give details of their status inquiry policy only on request.

It is common for landlords to make status inquiries about potential tenants to ensure that they can pay rent. Status inquiries are also believed to have been used by private detectives to establish individuals' creditworthiness in cases such as divorce settlements.

Although banks traditionally reply to inquiries in coded language, it has been thought possible to obtain account details by making a series of inquiries about whether an individual can afford various levels of payment.

Barclays and National Westminster are among banks which currently give coded replies to other banks that inquire about their customers' creditworthiness. They do not disclose precise details of accounts, and do not charge the bank making the inquiry.

Republican group admits to bombing

THE Irish Republican Army yesterday admitted that it planted the bombs that killed a child in an English town at the weekend.

In a statement issued in Dublin, it said "republicans will profoundly regret" the "tragic consequences" of Saturday's blasts in a busy shopping area of Warrington, north west England.

Four-year-old Jonathan Ball was killed and 50 people were injured. Five were still in a serious condition in hospital yesterday.

Police said a deliberately misleading telephone warning was given of two bombs one minute apart in the city centre.

Bombings in the IRA campaign against British rule in Northern Ireland are commonplace but children are rarely hit. Jonathan Ball was said to be the youngest victim of the 20-year-old IRA campaign on the British mainland.

Police said the bombs, about 500 grams of Semtex plastic explosive, were placed in litter bins.

Security sources said the bombing might have been a revenge attack for the IRA to show its strength after a series of successes by police and intelligence services combating its campaign.

Exchange picks up the pieces after IRA blast

Shipping headquarters is re-opening in a depleted form, writes Richard Lapper

TRADING is due to resume early next month at a scaled-down Baltic Exchange, the headquarters of London's shipping market wrecked almost a year ago by an IRA bomb.

The exchange, one of the City's best known landmarks, is reopening in a depleted form. Managers have been forced to cut the back-up operations it provides, reducing staffing levels by two thirds. A complete restoration of the building could take three years.

Mr Jim Buckley, the Baltic's chief executive, took seven months to negotiate a £27.6m insurance settlement. Although there is enough money to cover repair work, Mr Buckley says his insurance was insufficient to cover the entire cost of the disruption.

"It has been a nightmare," he says.

The nightmare started last April when the Baltic Exchange's facade took the full force of the IRA bomb blast. Pieces of Swedish granite and Portland stone crashed through the building; marble-clad columns collapsed; and nine glass domes were shattered along with several bronze chandeliers and stained glass windows.

Ironically, business was



Stonemason Paul Rowland checks a bust of Britannia damaged in last year's Baltic Exchange explosion

barely affected by the disaster. Brokers who buy and sell ship space for cargoes ranging from oil to phosphate improvised in the first few days after the explosion and soon rented premises at Lloyd's of London.

The impact, however, on the exchange, its 150 staff and the small businesses around it has been far more severe. Because many of the offices surrounding the trading floor were destroyed, the exchange's

annual income was halved by the loss of £24m in rent.

Mr Buckley has set aside £74m of the £27.6m settlement to meet that loss over the next three years. A further £1m covered the cost of a year's rental

income at Lloyd's, while refurbishment has cost a £3m.

That leaves just £15m to restore the building itself, but there will be insufficient cash to rebuild the 110,000 sq ft of office space.

Rail project likely to be reactivated

By Alison Smith
and Richard Tomkins

LEGISLATION authorising construction of the £2bn Cross-Rail link, the biggest public transport project planned for central London, is likely to be reactivated after Easter as the government seeks to counter accusations that it is trying to shelve the scheme.

Last week the chancellor of the exchequer announced in his budget speech that the project would be re-examined as a candidate for private sector finance as part of the government's attempt to get more private funding into transport. This gave rise to fears of long delays to the scheme because it had previously been agreed that it would be funded wholly

by the public sector. However, it now emerges that the CrossRail bill could be re-activated in May.

The underground railway link between Paddington station on the western side of the capital and Liverpool Street on the eastern side would enable thousands of British Rail commuters to travel beyond the two terminuses to the West End and the City without changing to London Underground's overcrowded trains.

Department of Transport officials yesterday said the government was committed to the project and said the £200m allocated to preliminary work on the scheme over the next three years remained in place.

Background, Page 10

Britain in brief



Uncertainty remains over coal policy

A weekend of crucial talks in the coal and electricity industries ended with uncertainty remaining over whether the government could publish its policy document on the future of the coal industry before the Easter recess in Parliament.

Executives at British Coal and the electricity companies said considerable progress had been made in the talks on contracts which will replace those ending this month. Most of the outstanding differences were resolved. The heads of several electricity companies, however, said they were still unwilling to sign deals to buy coal until the government published its policy. The government wants the deals signed before the policy document.

Number of pay freezes double

The number of pay freezes in British industry has doubled over the past year and pay cuts, although still rare, are becoming more common in vulnerable sectors like construction and engineering, according to a report from pay analysts Industrial Relations Services.

The vast majority of employees continue to get rises which more than match inflation but IRS finds that one in 20 settlements have frozen pay for at least 12 months, including organisations such as Alfred McAlpine, Marconi Defence in Portsmouth, Anglia Television, and Thomson Directories.

ICI cuts emissions

Imperial Chemical Industries, the UK's biggest manufacturer, reduced its worldwide emissions to land, sea and air by 9 per cent from 5.68bn tonnes in 1991 to 5.167bn tonnes last year, according to the company's environmental report.

New audit review urged

Company boards should establish audit committees composed exclusively of non-executive directors, according to guidelines published today by Pro-Ned, the Bank of England-backed organisation which promotes non-executive directors.

Pro-Ned said board-level audit committees should be responsible for ensuring that company's financial and accounting systems provide accurate and up-to-date information, that the financial statements give a true and fair picture of its position and that the external audit is conducted in a thorough manner.

School syllabus under attack

The technology syllabus used in English schools is much less effective in preparing pupils for industry's needs than equivalent courses in other European countries, a report published today by the National Institute of Economic and Social Research says.

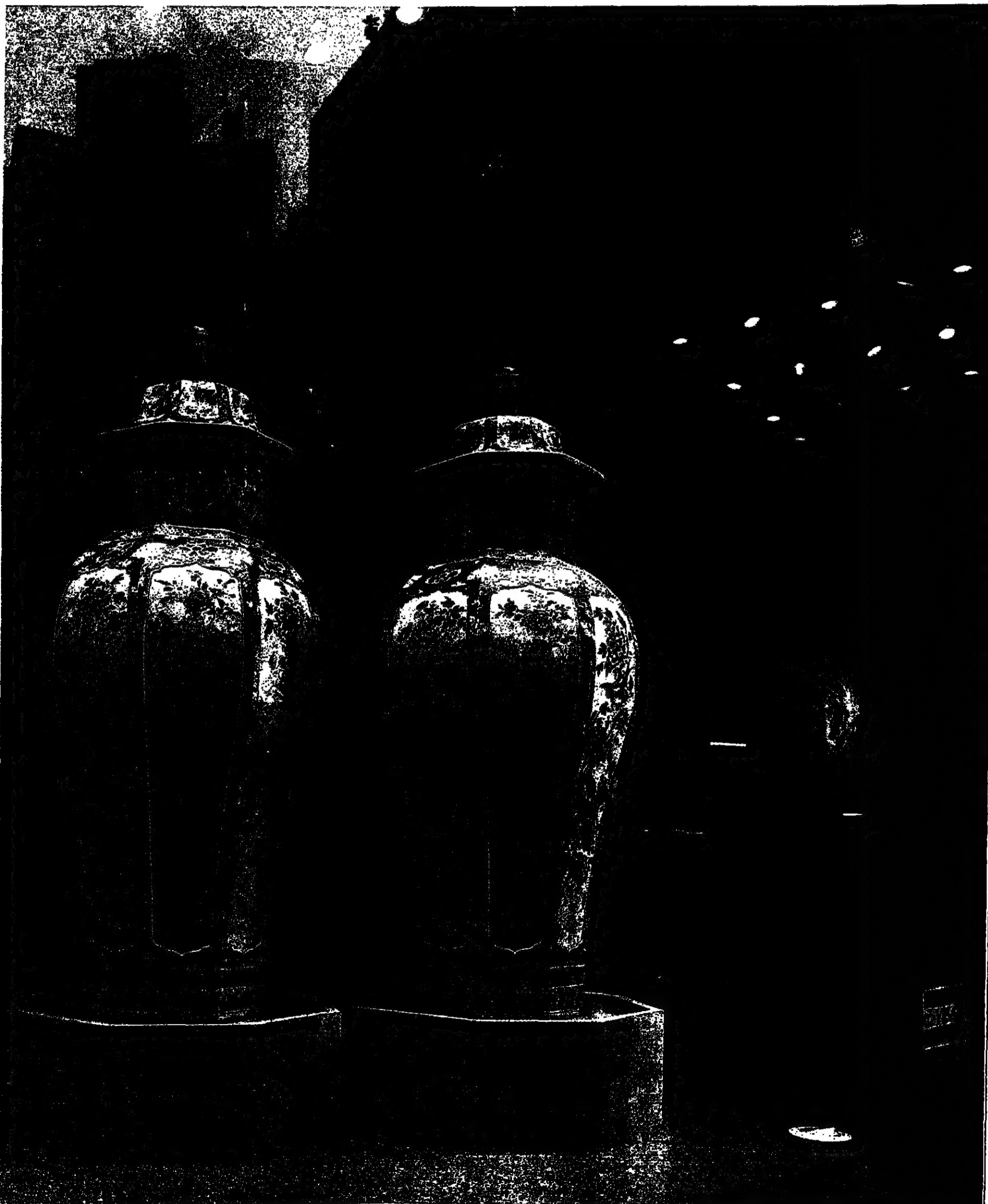
Schools in Germany, Switzerland and Holland use practical subjects such as woodwork, technical drawing and domestic science to instil basic work skills.

In England teaching of these subjects has been replaced with the technology syllabus of the national curriculum. The report says this syllabus places strong emphasis on creativity and imagination at the expense of basic skills.

Securities body sets deadline

The City of London's newest professional body, the Securities Institute, is urging potential members to beat a March 31 deadline and escape a nine-hour examination ordeal.

Membership will be much easier while the "window of opportunity" remains open. Until Wednesday former members of the Stock Exchange will be transferred automatically. After March 31 new full-members will be accepted only on passing diploma examinations. To be held twice a year, these will involve three sessions, each of three hours. The institute aims to be the main professional body for the securities industry.



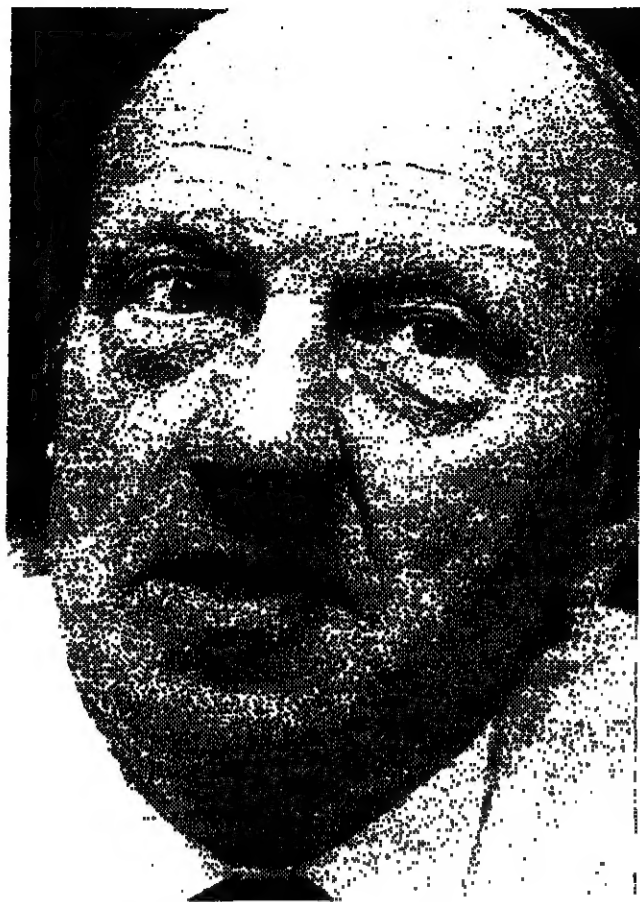
IF YOU'RE LOOKING FOR CHINA you can always discover it in Hong Kong. At around HK\$ 150,000 these hua ping might seem a bit extravagant. But you can still dream. And you'll find that, from a pair of chopsticks to a pair of Quing vases, Visa is used around the world more than any other card. So it's no surprise **VISA MAKES THE WORLD GO ROUND.**



هكذا من القليل

Tony Jackson talks to Sir Owen Green, the outgoing head of BTR

A dogged all-rounder



Sir Owen is unrepentant.

If the secret of management is timing, Sir Owen Green has it to perfection. Ten days ago he announced his retirement from BTR, the company he founded. He also announced that BTR's profits had passed £1bn for the first time. The share price rose to new heights, valuing BTR at £12bn. This made it Britain's seventh biggest company, handsomely ahead of Guinness, ICI and J. Sainsbury and a nose ahead of its rival conglomerate Hanson.

But BTR is in another sense deeply out of fashion. As a conglomerate, it lacks focus. On the day of Sir Owen's announcement came the news that Glaxo's chief executive had been ousted, largely because he believed - unlike his chairman - that the company's focus should be broader. A few weeks earlier, ICI's chairman had said he was finally persuaded the conglomerate concept was finished and focus was everything. ICI would therefore split itself in two.

Unsurprisingly, Sir Owen has no truck with any of this. "If you're trained in the techniques of management, you ought to be able to apply them across an unlimited area of activity. There have been disasters when organisations have outgrown their strengths and talents. But that's because their reach was further than their grasp. It's another thing to preach that being diversified is a weakness."

Then again, ICI's decision was based on more than size. The company had come to realise that the technical complexity of its operations meant no individual understood them all. No-one was properly equipped to choose between investment proposals ranging from seed breeding to chlorine manufacture.

"I suggest that's because they must specialise to too high a point in their organisation", Sir Owen says. "There ought to be a level at which special knowledge can be translated into more general terms. If it can't, I don't know what a board of directors is for. I'd reject the view that a business could ever be so technically specialised that an informed decision could not be made by a trained management."

The key to BTR, says Sir Owen, is not focus but contiguity: moving into areas next door. "To start with, we looked for contiguity in manufacturing processes, particularly in rubber. But a common feature of the market was the automobile industry, so we started making acquisitions related not to rubber but to autos. So we got into contiguity of markets."

Underlying that was an absolute commitment to growth, whether organic or by acquisition. In the ecologically conscious world of the late 1990s, this might seem unfashionable as well.

"The human condition seeks to better itself, whether materially or intellectually. And the most exciting period of life is one's teens. During those years, tremendous things are happening physiologically. If you can somehow capture that excitement and freshness in an organisation, you've got something. That's what I mean by growth. It isn't acquisitiveness, or size, or being in the top 10 in the beauty parade. It's the vivacity it gives to life in the company."

But must not a company eventually age, like the human organism? "The fact is we have continued to grow. In percentage terms it's been

declining, but it's still there. There must come a time when you can't acquire and you become unmanageable, but I don't know when. I don't think it would come through internal limitations. Internally, our system of management - decentralisation held together by financial control - is capable of any amount of expansion."

There is another heresy behind this. Governments in the developed world, from Tokyo to Brussels, agonise over the growth industries of the future, such as information technology and biotechnology. Sir Owen is happy to be in none of them. "We're hewers of wood and drawers of water. It isn't the nature

of any of our businesses to take a very long view technologically. I can't see anywhere where pure research funded by us would benefit either us or society."

Surely this risks being left behind in a changing world? Not if you pick your areas, says Sir Owen. "In 10 years' time, an automobile will still have wheels and suspension. In packaging, the concept of wrapping things up will still be there, whether you're talking about paper or boxes or cartons or bottles. Or take the creation of electrical energy. It's been going for 150 years, and it's probably good for another 150. Or take valves. As long as you're going to conduct fluids, you're going to need valves. You get steady improvements in ways of shutting things off and turning them on, but nothing particularly revolutionary."

Pursuing his view of the world in 10 years' time, where does he think the UK will stand as a manufacturing base? "If Europe maintains a commonality of markets, I think the UK could be more important as a manufacturing centre than it is today. That's provided we don't tie ourselves to a fixed monetary system, or commit ourselves to the Social Chapter."

"If I compare the productivity of our German operations with our British ones, I don't detect the advantage Germany's said to have. When you come to actual cost, clearly the UK has the advantage. And we still have the skills. I see no reason for us to try to force through a greater concentration on engineering, though it would be nice if we could re-establish the regard for technologists we had in the 19th century."

There is a final, classic question to ask an eminent industrialist on his retirement. What advice would he give to an aspiring young UK manufacturer today?

"You have to have a product. What you should then do, more than has been done in a good many years, is get around the world. My impression is that the large economies are more willing to buy from any source than they used to be. In the US, for example, there are tremendous opportunities for anyone who has a product. For the UK manufacturer, the important thing is that the world is your oyster. Your total capacity is tiny in relation to the available market."

And could he suggest a product? "No, I couldn't. Wisdom and sagacity are things you only get with age, so their application has drawbacks. You're bound to be constrained by your own experience of setbacks. You'd fail to recognise the vital, energising stream of possibilities that young people can see. Wisdom and sagacity would rule out half of them."

A group of employees dabbles on the foreign exchange futures market, betting on a rise in the dollar. The dollar then falls and they cover their tracks. Four years later they are discovered sitting on an unrealised loss of \$1bn (£700m).

The story sounds improbable. Yet it can happen to the most blue-chip of companies, as Shell found out when its Japanese associate, Showa Shell, disclosed such a loss last month.

It is not just unauthorised dealings that can land companies in trouble. George Wimpey, the housebuilder, last week announced a £25m provision against the cost of unwinding interest rate futures contracts. About five years ago, the builder had bet on interest rates remaining high; the subsequent fall in rates has made it cancel its bet - at a heavy cost.

The scale of potential damage a treasury department can inflict on the profit line has made top management take notice. Big shareholders are taking an increasing interest too. They are not just worried about the scope for losses when controls break down - as was the case at Showa Shell - but about losses when companies take a view and get it wrong.

The Association of Corporate Treasurers has recently published a booklet of awkward questions that investors and analysts can put to companies to understand their exposure.

Pressure from shareholders, coupled with the growing list of corporate horror stories, is encouraging companies to build a structure of controls around their treasury departments. "In the past, boards used to let the treasurer get on with it. They used to look at the treasury as a black box, yet now more companies are introducing policies and procedures," says Nick Ross, partner of accountant Touche Ross.

The first step is for the board to come out with a clear set of rules. "Companies must ask themselves what level of risk they are happy with," says Gerald Leahy, head of the Association of Corporate Treasurers. They should then issue a policy statement approved by the main board, making it clear to what extent the company hedges against movements in interest and exchange rates.

The statement should lay down the objectives of the treasury department and provide lists of dealing limits in each sort of instrument, saying who can deal and in what amount.

This sort of exercise seems to have focused the minds of companies and made them increasingly

Tighter rein on the treasury

Even blue-chip companies have suffered, says Lucy Kellaway



wary of taking any unnecessary risks.

"We never expose ourselves to unlimited risks, we always know what the downside is. If I want to do anything fancy, I need to get approval for it. But usually, I just stick to plain vanilla," says the treasurer of an FT-SE 100 company.

Only about 7 per cent of big companies run their treasury as a profit centre, and some companies are abolishing their central treasuries, passing the duties down the line to the operational level, where all exposures are mechanically covered as they arise.

The whizzy financial deals that companies happily engaged in during the 1980s are becoming less common. "We are saying to directors: 'If you don't understand it, say no,'" says Leahy.

A policy statement alone is not going to ensure that things run smoothly in the treasury. It is almost impossible to prevent someone from doing an unauthorised deal, but companies can at least ensure that such trades are quickly spotted.

To this end, the person who does

the trade should not be the same as the one who confirms it, nor the one that settles it. However, this rudimentary control is not followed by a large number of companies; according to Touche Ross, many of the top 250 UK companies do not separate their activities in this way.

Companies should then set up accounting systems to measure how well the treasury department is doing and keep senior management abreast of what is going on. They should also issue to someone outside the department a regular report of all transactions.

Once again, companies do not seem to be following best practice. According to Touche Ross, almost half do not revalue their positions regularly, which means that they may be sitting on losses or profits without being aware of it.

However, these sort of controls are not likely to work unless the culture of the company discourages taking unacceptable risks.

Tate & Lyle, the sugar company, has gone to some lengths to ensure that it is not in the interests of its 14-person treasury team to do anything untoward. Its incentives are structured so that there are no individual bonuses; and although the department as a whole may get a bonus, this is only loosely tied to its trading performance.

The company claims the virtue of intellectual honesty is drummed into its traders, all of whom are trained in-house. Furthermore, all employees are encouraged to confess immediately if they make a mistake.

Technology is also helping companies introduce better controls. At Tate & Lyle, all telephone calls to the banks are recorded - a system that a few years ago would have cost some £20,000, but now can be had for a sixth of the price.

Similarly, advances in computer technology are making it possible to revalue trading positions more frequently, so that the management of big companies will constantly be able to know where they stand at the touch of a button.

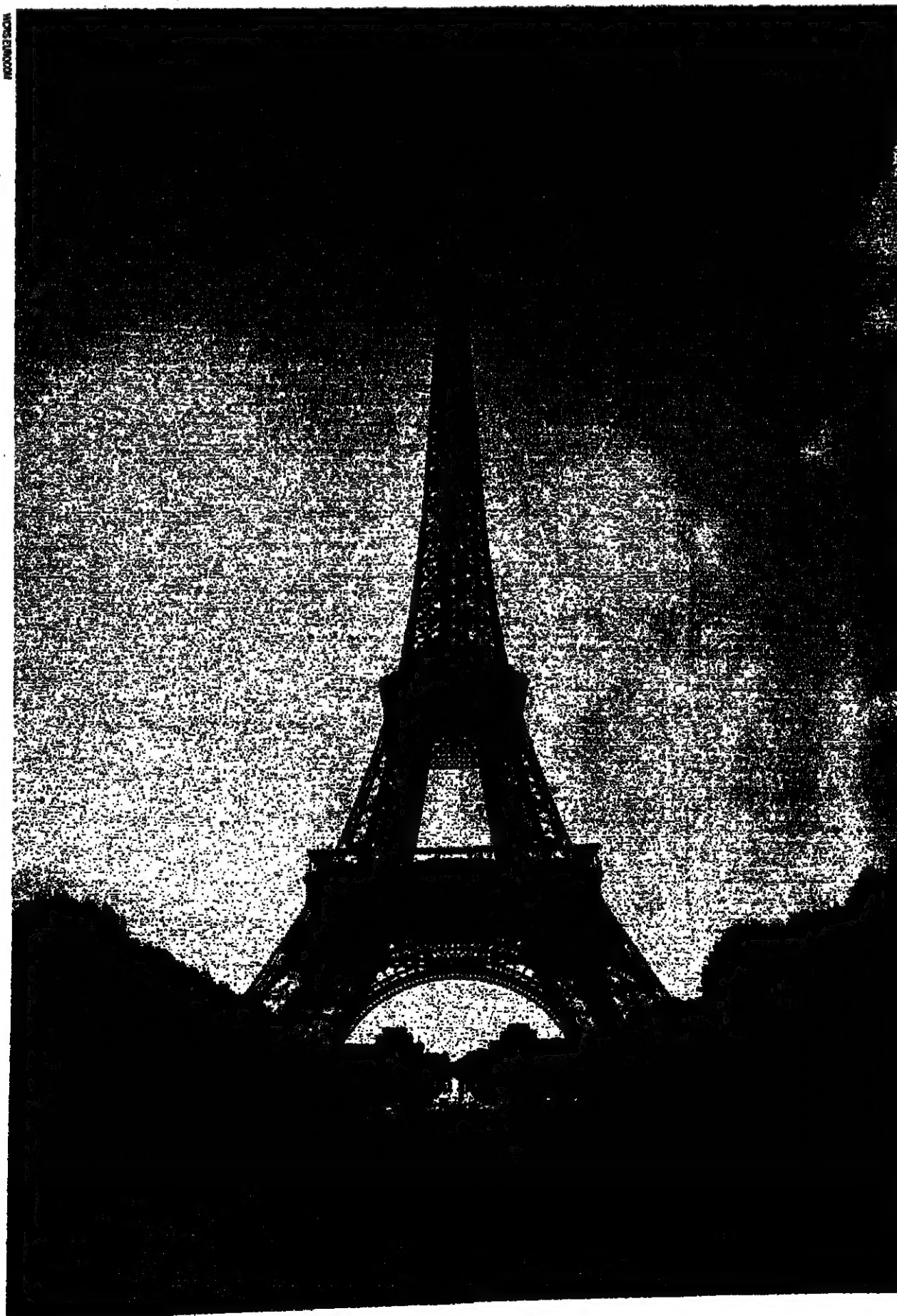
Naturally, the systems appropriate to a big trading company are not necessary in a little company with a treasury of one person, yet the principles are the same.

Controls are all very well, but there is a danger that companies can get fixated on the controls, rather than watch the intrinsic risks of what they are doing.

Says Leahy: "Auditors are putting more and more controls in, so that companies can kid themselves that with so many controls all is OK. But management have to think what sort of business they are in, and stick to their last."

AFTER DISCOVERING OIL
ALL OVER THE WORLD
WHY DID ELF DRILL UNDER PARIS?

THE EIFFEL TOWER WAS
REMINDED US OF SOME THINGS



In a name-conscious world, being called "Elf" can be a problem. It hardly announces us as the leading French industrial group, employing 90,000 people worldwide.

It lacks the proud ring of a company which invested 900 million dollars in research and development last year.

It doesn't say largest integrated oil and gas company in France and 7th in the world, or 10th biggest chemical and pharmaceutical group in the world.

It barely murmurs oil and gas exploration, production, refining, marketing, trading and shipping operations.

It doesn't hint at 8,000 service stations in Europe. And you'd never know it owned prestigious cosmetics or perfumes brands like Van Cleef and Arpels, Oscar de la Renta, Stendhal, Geoffrey Beene.

Yet Elf does all this and more, not to mention finding oil under Paris.

If only we were called Leviathan, perhaps even more people would know about it. ☐

elf

OUR DEDICATION GOES FURTHER

CONSTRUCTION CONTRACTS

Retailing projects in Scotland

BOVIS CONSTRUCTION (SCOTLAND) has won three contracts together valued at £18m, from Marks & Spencer which is currently implementing a nationwide development programme in selected stores.

The company has been appointed to manage extension and refurbishment works to stores in Glasgow's Argyle Street and Aberdeen, plus the fitting out of a Marks & Spencer store at the Gyle Shopping Centre in Edinburgh.

The Aberdeen contract will run from April to October, during which time an additional 21,100 sq ft of sales area at second floor level will be established, creating a total sales space of 89,000 sq ft.

Bovis Construction (Scotland) is project manager at the Gyle Shopping Centre in Edinburgh where a store is under construction. Bovis has now been appointed to manage the fitting out of the 110,000 sq ft store which will include raised ceilings, customer comfort facilities and wide walkways.

Headquarters

WIMPEY CONSTRUCTION has won a £10.5m contract to build the second phase of a new headquarters for the Cheltenham and Gloucester Building Society.

The development forms part of the society's programme to relocate its offices from Cheltenham to Barnwood.

The three-storey building will provide the society with an additional 10,500 sq metres of office accommodation adjacent to the original development. The complex will house 500 administrative staff.

Social housing

FAIRCLOUGH HOMES is building 149 homes for the Metropolitan Housing Trust on the site of the former Neasden High School, north London.

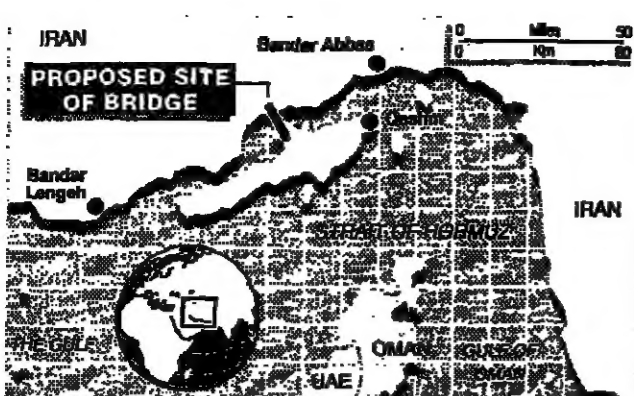
The £10.4m development will provide a mix of fair rent and shared ownership properties and construction is already under way.

Bridge development in Iran

SANTE TRADING, based in Cyprus, and **ACER CONSULTANTS**, engineering and management consultants, have been commissioned by Iran's Qeshm Free Authority to finance, develop, design and build the Gulf Bridge in Iran's Qeshm Island.

The Gulf Bridge will be a 2.5km road and rail bridge linking Iran's main land to the Qeshm Island. Sante will be acting as the financiers and developers for the project, which is estimated to cost US\$100m (£69m). The Middle East Trading Co, based in the Isle of Man, has already been appointed as financial consultants and Sante is currently negotiating with Bank Saderat, Tehran, Iran, to also appoint them as joint financial consultants for this project.

Acer is the design and build project manager and full design consultant for the project. Four European contractors have been invited by Sante and



Acer to take part in the project and interviews are currently being held. An Iranian contractor will also be appointed to work in joint venture with the selected European contractor. Sante and Acer have already received the letter of intent for the project and the feasibility study is expected to begin in September. It is estimated that the Gulf Bridge will take three years to

complete from start to finish. Iran intends to convert Qeshm Island, which is about three times the size of Singapore and almost the size of Cyprus, into the commercial and tourist heart of the Gulf. Schemes for the island are already under way including: commercial buildings and housing developments; power generation and supply; and over 250,000 trees planted.

Maintaining motorways in Manchester

EDMUND NUTTALL has been awarded the Greater Manchester motorways term maintenance contract 4 by the Department of Transport. The £23m contract extends over a period of four years, beginning in mid-March with completion in April 1997. The works involve the maintenance of the live motorway network in the Greater Manchester area, com-

prising the M56, M61, M62, M63, M66, M67, M68, A627(M) and A6103. A full range of maintenance activities will be provided for approximately 230 kilometres of highway in the area, including over 800 structures and 12,000 lighting units. Operating out of the Barton administration centre on the M63 and using four satellite depots on

the network, Nuttall will undertake routine winter maintenance activities, traffic management, carriageway repairs as well as emergency response operations. In addition, sign and road lighting will be maintained, safety and boundary fences installed and repaired, gullies swept and emptied and structures maintained.

£12m road management programme

AMEY CONSTRUCTION, part of the Amey Group, has been awarded its second contract for the management and upkeep of motorways and trunk roads by the Department of Transport. The west London management

contract, valued at £12m for three years, is for the upkeep, repair and maintenance of trunk roads and motorways, including the M4. Amey will also be responsible for emergency repair work, traffic man-

agement, de-icing and snow clearance. The contract will be supervised by Frank Graham, a Partner in the west London area.

£35m orders awarded to Try Group

TRY BUILD, members of the Try Group, have been awarded contracts totalling £35m. More than 60 per cent of the group's workload has been secured by negotiation or has arisen as novations from the receivers of failed contractors.

The recent acquisitions of AF Budge Building and CBM Construction in Yorkshire alone have given Try £20m of work. Try Construction has secured contracts totalling £19m which include the negotiated fit out of offices for a major petrochemical company

in Sunbury worth £3.8m. Try Build has contracts worth £15.6m which include a £1.1m community centre at Slough for Berkshire County Council and an extension to Bishop Challenger School (£200,000) for the Diocese of Westminster Trustees.

BP clips senior executives' wings

Less flying and more decision-making seems to be the main purpose of the latest top management reshuffle at BP. Rodney Chase and Hugh Norton, BP's two regional managing directors who have been based overseas in Cleveland and Singapore, are being brought back to BP's group headquarters in London.

Rodney Chase, 49, who took over as chairman and chief executive of BP America a year ago, will remain chairman of BP America and retain group responsibility for the Western hemisphere. Hugh Norton, 56, who was sent out to Singapore less than two years ago as part of an upgrading of BP's presence in the Asia Pacific and Middle East regions, will retain his responsibilities for these

areas. But he will be based in London from July and Chase will return from the US in the second half of the year.

David Simon, who took over as BP's chief executive after the ousting of Bob Horton in June, says that the moves "complete the co-location of BP's businesses and regional managing directors in one centre and will enable the executive team to extend and integrate its work programmes more closely."

Given that both men are supposed to put in appearances at the regular managing directors' meetings, it meant they spent a considerable amount of their time either flying to London or missing meetings. Although BP portrays the latest upheavals as a routine

reorganisation, it means that BP America will have had its third chief executive in less than two years. Chase replaced James Ross, who left to be chief executive of Cable & Wireless, and Chase is now being replaced as chief executive of BP America by Chuck Bowman, who has headed BP Australia for the last three years. Bowman takes up his new post at the beginning of 1994. He in turn will be replaced by fellow American Ron McGimpsey, currently chief financial officer and senior vice president of BP America.

Les Atkinson, general manager of BP Oil, succeeds Norton as regional director Asia Pacific, also becoming chief executive BP Oil, S E Asia.

Credit Lyonnais' Menard says 'Oui' to Barclays



Christian Menard, a 25-year veteran of Credit Lyonnais, is leaving in June to join Barclays Bank as head of the French operation. He replaces Jacques Rambosson, director of European corporate banking, who moved to London in December. Since then, Carlos Martinez de Campos, director of retail banking in Europe, has been temporarily filling the position.

During a peripatetic career at CL, Menard has lived in Portugal and Brazil, and had two stints in London. He spent four years as managing director of Credit Lyonnais Capital Markets and is credited with returning the UK securities

operation to profit after several years of losses following the French bank's ill-fated acquisition of Alexander Leasing & Cruickshank in 1987. At the beginning of 1992, Menard, 51, returned to head office; he is currently "directeur central" in charge of the branch network. He was not prepared to comment on his move.

Barclays, which employs over 2,500 people in France as a whole, has recently been expanding its retail network. It has added twenty branches in the past few months in the Paris region, and plans to open another 20 before the end of the year, bringing the total to 90. The bank also caused a stir among the French banking community last autumn with an attempt to get around the ban on interest-bearing current accounts, and, despite further government prohibitions, it has already found 10,000 customers for a modified product.

Jacques Favillier, deputy chairman and general manager of Barclays Bank SA responsible for the global banking division in France, has been appointed to the new position of chief operating officer for BZW in France and deputy chairman of BZW's French management committee.

Peter Bolder, formerly md of Marley Waterproofing, has been appointed md of NIPISK UK.

Bruce Hewett, formerly group director of corporate affairs at Southern Water, has been appointed director of technical affairs at SOUTH WEST WATER.

Scotia's new chairman?

Sir James McKinnon, who steps down as director general of the Office of Gas Supply in September, could soon be leading a small but glamorous pharmaceutical company on to the stock market.

He has been made deputy chairman of Scotia Holdings, the research-based drug company, which expects to float its shares within the next year or so. Sir James, 68, was also made deputy chairman of financial services and media group MAI last week.

MAI like Scotia, is headed by Sir Ian Morrow. The two men know each other from their days when they were presidents of the Institute of Chartered Accountants in Scotland. Given that Sir Ian is now over 80, it is thought he will hand over the chairmanship of MAI and Scotia to Sir James.

Although Scotia only had a turnover of £18m in the year to last June it has spent over £33m on pharmaceutical

Roger Payne has been appointed a UK regional md for RENTOKIL. Michael Holmes becomes regional md North America; Nigel Howse international marketing director; healthcare services; Ken Bowman group management development director; and Charles Grimaldi becomes group corporate affairs director.

Geoffrey McMillan, formerly head of business development and planning at Hoffmann-La Roche's international pharmaceutical division, has been appointed commercial director of KENOVA GROUP.

Stephen Bradshaw, formerly operations director of Chef & Brewer, has been appointed md of KWIK-FTT GB.

Jack Beldon has been appointed chairman and general manager of GOODYEAR GREAT BRITAIN.

Susan Durst, formerly md sales & marketing, Western Europe for Pan American Airlines, has been appointed international marketing director of EUROPCAR International.

Philip Davies, the md of Ind Coops Retail, and Martin Grant, the md of Anells, have both been appointed to the board of ALLIED-LYONS RETAILING.

research and development since it was founded by its chief executive Dr David Horrobin. In order to continue its heavy spending in this area, the company is keen to get its shares fully listed on the stock market.

Apart from recruiting Sir James McKinnon, there are a number of other well-known names on Scotia's board of directors including James Macadam, chairman of Ratners, and William Glyn-Williams, deputy managing director of Glaxo Pharmaceuticals UK.

To pave the way for its stock market float, Scotia has hired Kleinwort Benson as its merchant bank and Hoare Govett as broker. The company is owned by a couple of venture capital funds, Dr Horrobin's family and about 200 shareholders. The shares are traded in a small way under rule 535. On the basis of the last price of £7.50, the company is valued at around £180m.

ANNOUNCEMENT

For the sale by the Industrial Reconstruction Organisation (IRO) of the shares of the company KERAFINA S.A. The IRO announces a public auction for the sale of 2,000,000 bearer shares of Dr. 100 each and 486,082 bearer shares of Dr. 1,000 each of the company KERAFINA S.A., registered in the Municipality of Kallithea, Attica, in accordance with the decision dated 2.12.92 of the Interministerial Committee for Demutualisation (ICD) and the provisions of articles 5, para. 1b and 6, para. 1b of Law 2000/91. The shares offered for sale represent 89.96% of the total deposited share capital of the above company. KERAFINA S.A. was established in 1982 and produces various porcelain sanitary ware. The company's plant is at Kalamaki, Corinthia (74 km. from Athens). The terms set by the I.R.O. for the public auction for the highest bid, in accordance with the present announcement, are as follows:

- 1. Interested buyers** are invited to receive from the offices of the IRO (234 Syngrou Avenue, Athens, 3rd Floor, I.R.O. Demutualisation Department) the Offering Memorandum in which the relevant data of the company have been summarized. Those who may have already obtained the Memorandum prior to the publication of this Announcement are invited to receive the new, revised and completed Memorandum. The Memorandum is obtainable from 0900 hrs to 1300 hrs on 23.3.93, 24.3.93 and 25.3.93. Interested parties who wish to obtain the Memorandum after this time will do so at their own risk insofar as the time remaining for them to check the company data and prepare their offer is sufficient before the date on which binding offers must be submitted. The offering Memorandum will be handed to the interested parties themselves, in the case of individuals, and to a legal representative in the case of legal entities or associations, as well as to persons authorized by a notarial power of attorney or an authorization document on which the signature has been attested to by a public authority. The I.R.O. reserves the right to deny the Offering Memorandum to persons who do not fulfil the above requirements.
- 2. Confidentiality Agreement - Draft Agreement - Checking the Company.** On receiving the Offering Memorandum, the recipient will be obliged to sign a Confidentiality Agreement with respect to the data it contains. The I.R.O. reserves the right to hand over, also, to each recipient of the Memorandum, a Draft Agreement for the sale of the shares and set the time and procedure for negotiating its terms with each potential buyer before the submission of binding offers. Each potential buyer receiving the Offering Memorandum within the above time limits will be entitled to check the company's data. The time, which will not exceed 2 days, the data and the remaining checking procedure will be specified by the I.R.O. on the basis of the date of submission of the binding offers, the number of interested parties and the priority in receiving the Offering Memorandum. Potential buyers who will not check the Offering Memorandum beyond the time limit and on their own responsibility, will be treated and facilitated in the time left without any discrimination towards them, resulting solely from their own fault in receiving the Memorandum at a late date, being possibly construed as unequal treatment.
- 3. Submission of Binding Offers - Unsealing.** Binding offers must be submitted at the latest by 1200 hrs on Thursday, 22.4.93 at the offices of the I.R.O. at the address mentioned above, in return for receipt. Offers which have not been submitted in person or by any other manner (by post, etc.) will be considered as having been submitted in time and will be taken into account. The offers will be unsealed on Thursday, 22.4.93 at 1300 hrs at the offices of the I.R.O. The unsealing may be attended by anyone who has legally submitted a binding offer or by his legally authorized representative as described above. The offers will be unsealed, checked with regard to formality (letter of guarantee, composition, etc.) will be entered and will be attached to a special report on the unsealing which will be signed by those present. A copy of this report will be given to each person who has legally submitted an offer. Copies of the offers will not be released until the end of the auction for the highest bid.
- 4. Evaluation - Adjudication.** Offers are kept by the I.R.O. and are evaluated at its discretion. The Board of Directors of the I.R.O. will make the final decision as to the acceptance (rejection) of an offer, or its rejection, within two months of its submission, i.e. up to 22nd June 1993. Recalls, modifications, improvements etc of offers up to the final decision of the I.R.O. to adjudicate or the reject, and counter-offers are not acceptable and will not be considered.
- 5. CONTENT OF THE OFFER.** Offers must be submitted within a sealed envelope entitled "BIDDING OFFER FOR THE PURCHASE OF THE SHARES OF KERAFINA S.A.". They must be written and signed and must have ensured deletion or insertion will not be considered. Offers submitted in any other manner (e.g. by telegram, telex, fax, etc.) unsigned, or bearing erasures, deletions or insertions will not be considered. The offer must refer to the total of the shares for sale (2,000,000 of 100 drs. each and 486,082 of 1,000 drs. each) and if this is not specifically mentioned or wrongly indicated it will be taken as referring to the total. It will contain a price expressed in drachmas. They will specify the manner of payment and, if payment is to be made of the whole amount or in instalments, will specify the exact dates of payments, without interest or with interest (and in this case at what rate), of each instalment and the guarantee provided for payment of these instalments. It should be noted in this respect that in evaluating such offers, their conversion to current value will be calculated at an annual interest rate of 22% or six-monthly rate of 11% or three-monthly rate of 5.5%. Any terms contained in the offer shall be absolutely clear and specific on pain of giving right to the I.R.O. at its discretion, to go as far as rejecting the offer. The offer must include data on the identity and activity of the bidder, while a description of a business plan and the biographical thereof, will be duly appreciated. The duration of the offers must be at least two months (i.e. up to 22.6.93).
- 6. LETTER OF GUARANTEE.** The offer must be accompanied by a letter of guarantee from a bank legally operating in Greece for Dr. 100,000,000. The I.R.O., on delivery of the Offering Memorandum will provide a draft of this letter of guarantee which must be adhered to. Offers unaccompanied by a letter of guarantee, or accompanied by a letter of guarantee which, in the I.R.O.'s opinion is unsatisfactory, will not be considered.
- 7. OTHER TERMS.**
 - The I.R.O. is not a proposal for drawing up an agreement but an invitation to submit an offer.
 - The I.R.O. retains the right to cancel or postpone the auction at its discretion, to supplement or clarify or modify the terms of the present announcement and in general act within the framework of article 199 of the Civil Code and Law 2000/91, bound only by the decisions of the Interministerial Committee for Demutualisation.
 - All the expenses concerning or related to the transfer of the shares and the participation in general and execution of the present procedure shall be borne by the buyer and each of the participants accordingly.
 - The participation of each of the potential buyers in the present auction presupposes the full and unequivocal acceptance of the terms of the present announcement.
 - Any previous relative announcement, invitation or proclamation, etc is hereby revoked and the only valid terms are those contained in the present announcement.

For any further information or clarification, interested parties can apply to the I.R.O., Demutualisation Department, Tel. 30-1-552-5540-9.

Athens, 20th March 1993

PARBELUX FINANCE S.A.

10, Boulevard Royal
LUXEMBOURG
R.C. LUXEMBOURG B 25.513

NOTICE OF MEETING

of a second Extraordinary General Meeting of the Shareholders of PARBELUX FINANCE S.A.

DKK 300,000,000 (10,500,000 1987/1993)
Notes due 1993

The required quorum has not been reached, a second Extraordinary General Meeting of shareholders of PARBELUX FINANCE S.A. DKK 300,000,000 (10,500,000 1987/1993) Notes due 1993 will be held at the registered office 10, Boulevard Royal, Luxembourg, on 22nd April 1993 at 10.00 a.m. to deliberate on the following agenda:

1. Amendment of the Terms and Conditions of the Notes in order to insert a new article "Substitution" which reads as follows:

"SUBSTITUTION
The issuer may propose that another corporation is substituted for the issuer as the debtor under the Notes and Composes by assigning all its rights and obligations under the Notes and Composes to such other corporation (the "New Company") provided that in the case of a substitution the Guarantors guarantee the payment of principal and interest in respect of the Notes. Each bondholder and co-borrower will be deemed to consent to such substitution and assignment and, upon the New Company assuming all the rights and obligations of the issuer under the Notes and Composes as fully and effectively as though it had been the original issuer of the Notes, the issuer shall be released from all liabilities under the Notes and Composes and the Notes and the Composes shall thereafter be deemed to be modified so that references to the issuer are construed as references to the New Company and references to the Grand-Duchy of Luxembourg, are construed as references to the country or countries in which the New Company is incorporated or resident. Notes shall be given in accordance with "Notices" by the issuer to the bondholders as soon as possible and in any event no later than 15 days after the day of such substitution.

Resolutions on the agenda of the proposed Extraordinary General Meeting will be adopted if voted by two thirds of the Shareholders present or represented.

For the purpose of obtaining voting certificates, the bondholders are requested to deposit their Notes at the latest two business days prior to the Meeting at the offices of the Paying Agent:

ANSTROM-KOTTERDAM
BANK N.V.
Herengracht 595
NL-1017 CE AMSTERDAM
BANQUE PARIBAS
LUXEMBOURG
104, Boulevard Royal,
LUXEMBOURG
ROYAL BANK OF CANADA
EUROPE LTD
111 Queen Victoria Street
LONDON EC4A 3DF
Voting instructions should be lodged with Paying Agents two business days before the Meeting.

The Board of Directors

COMMERCIAL UNION PRIVILEGE PORTFOLIO SICAV

Registered Office
41 avenue de la Gare, Centre Mersenne, 3th floor
L-1611 Luxembourg
R.C. Luxembourg B32640

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of shareholders of COMMERCIAL UNION PRIVILEGE PORTFOLIO SICAV will be held at Centre Mersenne, 3th floor, 41 avenue de la Gare, L-1611 Luxembourg, Grand Duchy on 6th April 1993 at 4.00 p.m. in the presence of the notary, for the following purposes:

To change the first paragraph of Article twelve of the Articles of Association from "Shareholders will meet upon call by the Board of Directors, pursuant to notice setting forth the agenda sent by registered mail, at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register to Shareholders."

To read: "Shareholders will meet upon call by the Board of Directors, pursuant to notice setting forth the agenda sent at least eight days prior to the meeting to each shareholder at the shareholder's address in the Register to Shareholders."

Voting
In order to pass the Resolution there is a requirement for a representation of 50% of the shareholding and for no less than two thirds of the votes cast thereon to be in favour. Voting arrangements
In order to vote at the meeting, the holders of bearer shares must deposit their shares not later than Thursday, 30 March 1993 either at the registered office of the Fund, or with any bank or financial institution acceptable to the Fund, and the relative Deposit Receipts (which may be obtained from the registered office of the Fund) must be forwarded to the registered office of the Fund to arrive not later than Thursday, 30 March 1993. The shares so deposited will remain blocked until the day following the Meeting or any adjournment thereof.

THE BOARD OF DIRECTORS

NEW ISSUES March 19, 1993



\$400,000,000
5.25% Debentures

Dated March 25, 1993 Due March 25, 1998
Interest payable on September 25, 1993 and semiannually thereafter.

Series SM-1998-L Cusip No. 313586 7R4

Non-Callable

Price 99.9375%

\$500,000,000

6.40% Debentures

Dated March 25, 1993 Due March 25, 2003
Interest payable on September 25, 1993 and semiannually thereafter.

Series SM-2003-B Cusip No. 313586 7S2

Callable on or after March 25, 1998

Price 99.859375%

The debentures of March 25, 1998 are not redeemable before maturity. The debentures of March 25, 2003 are redeemable on or after March 25, 1998. The debentures of March 25, 2003 are redeemable in whole or in part at the option of then Corporation at any time (and from time to time) on or after the initial redemption date at a redemption price of 100% of the principal amount redeemed plus accrued interest thereon to the date of redemption.

The debentures are the obligations of the Federal National Mortgage Association, a corporation organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(b) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1715 et seq.).

The debentures, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mae.

This offering is made by the Federal National Mortgage Association through its Senior Vice President and Treasurer with the assistance of a nationwide Selling Group of recognized dealers in securities.

Debentures will be available in Book-Entry form only.

There will be no fractional securities offered.

Linda K. Knight

Senior Vice President and Treasurer

3900 Wisconsin Avenue, N.W., Washington, D.C. 20016

This announcement appears as a matter of record only. This announcement is neither an offer to sell nor a solicitation of an offer to buy any of the Debentures.

YEN 15,000,000,000

AKTIEBOLAGET SPINTAB

(SWEDMORTGAGE)

Subordinated Floating/

Variable Rate Notes

due 2002

Interest Rate 4.1625% p. a.

Interest Period March 19, 1993

June 21, 1993

Interest Amount due on

Yen 100,000,000 Yen 1,086,875

Agent Bank

CREDIT LYONNAIS

USD 500,000,000

Updated Subordinated

Variable Rate Notes

Notwithstanding that the rate for the

seventh period of interest has

been fixed at 4.1625%.

The coupon N°7 will be payable

at the price of USD 108.69 on

June 21st, 1993 representing

94 days of interest covering the

period as from March 19th, 1993 to June 20th, 1993

included.

The Agent Bank and the Principal Paying Agent

CREDIT LYONNAIS

ADVERTISING

GREEN PROPERTY P.L.C.

BOARD APPOINTMENT

Mr. Jack Cherry, N.C. 4803 has been

co-opted to the Board of Green Property

P.L.C., a leading Irish property

development/management company,

quoted in London and Dublin, which is

currently engaged in the development

of a 2ha. New Town Centre at

Blackheath in West Dublin.

Mr. Cherry, a Director of Green

Property P.L.C. Limited is responsible for

Green's UK property portfolio.

Experienced in Private Practice

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Mr. Cherry was formerly a Director of

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Gothic preserved

Colin Amery states the case for sympathetic building and restoration

It often seems to me that architecture is something taken too seriously. Sites are taken and battle lines are drawn in a fashion that often looks ridiculous to anyone outside the profession. Do you really care whether or not a design is modern, post-modern, gothic or classical? What matters is whether or not the design is good. One of the subjects that currently arouses ire and passion in equal doses in the breasts of architects is the future of the damaged wing of Windsor Castle.

That esteemed organ, *Country Life*, which now seems to be all set under its new editorial team to become the journal of imagination when it comes to architectural and environmental issues, has just launched an important international competition for designs for the rebuilding of the fire-damaged areas of Windsor Castle. The reason for mentioning this in this column is principally because it is open to anyone - artists, interior designers, and anyone else who feels qualified to comment. This sounds a brilliant idea because there are many of us who have maintained for a long time that architects do not necessarily have the monopoly of architectural ideas.

The other reason why the Windsor competition could be very important (although impossible to judge) is that it may concentrate minds on the debate about the appropriate way to treat historic buildings. The only problem with this competition is the nature of the jury. For some reason, presumably to excite international interest, *Country Life* seems to have lost its traditional nerve and gone for trendy names on

its jury - as well as some dead-beat modernists who are known to be deeply prejudiced against history itself. But far be it from a mere architecture critic to put anyone off entering a competition because of the composition of the jury. After all, this competition does deal with a fascinating and important architectural problem. The key thing to remember is that it is open to anyone.

The competition brief is available from *Country Life* Windsor Castle Competition, Windfield, Windsor, Berkshire, SL4 2EH. Telephone: 0344 890080. There is an entry fee of £10 and a very modest prize of £1000. The closing date is June 10.

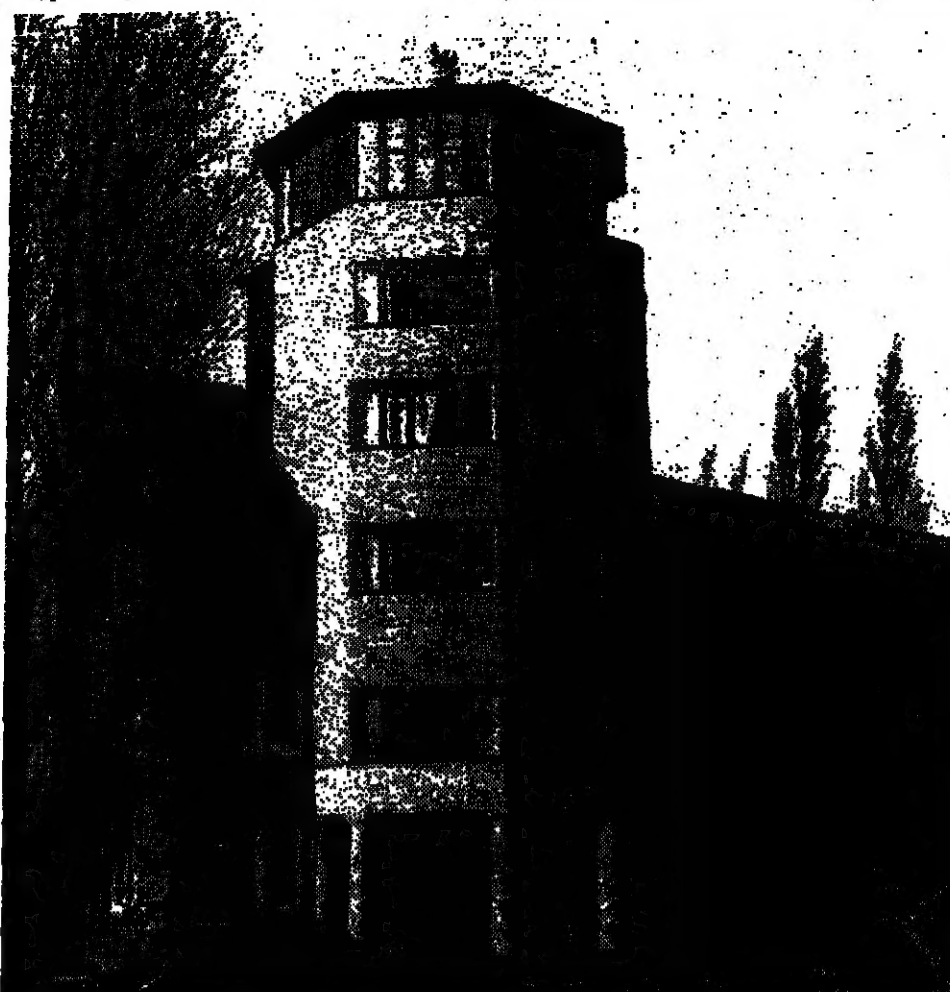
The Architecture Foundation is another glacial group that is keen to get on the Windsor Castle bandwagon. It has commissioned several practicing architects, mainly but not entirely of a modernist persuasion, to come up with a new design for the interior of the damaged St. George's Hall. These will be exhibited shortly at the Architecture Foundation and published in a forthcoming book about Windsor Castle by Dr Mark Girouard.

When it comes to architectural tradition there always has been a comparatively strong group of architects and craftsmen in England quietly working away building and designing things that are usually ignored by the architectural press. What these unsung heroes generally achieve is very happy clients and plenty of work. They are free of the vagaries of fashion and mercifully outside the intense and often meaningless international debate. One of these architects is Roderick Grad-

idge, who has recently completed an ingenious scheme for St. Edmund's College, Cambridge.

The college is situated on Mount Pleasant - the part of Cambridge that marks the commencement of the line of new colleges that proceed to the west of the city. It was founded as St. Edmund's House by the 15th Duke of Norfolk in 1886 as a residence for Roman Catholic clergy studying for degrees. Since 1965 the college has been an approved graduate college and now has some 150 students from 30 countries. The early gabled red brick, turn of the century buildings are without any particular distinction and to unify and extend them was a not inconsiderable challenge for the architect. For a long time Gradidge has taken a pioneering interest in the history of Edwardian architecture - his work at the National Portrait Gallery in London and his more recent restoration of the Guildhall at Northampton shows a knowledgeable enthusiasm for Edwardian and Gothic interiors.

At Cambridge Gradidge had little opportunity to provide decorative interiors. Instead he has designed a striking brick tower some six storeys high to mark the entrance to the college. At the top of this tower is the Okinga Room, named after the benefactor (Dr S. Okinga the President of Teikyo University, Japan). This is the highest room in Cambridge and has remarkable views over the whole city. The style of the tower has been described by the architect as "streamlined Tudor". It is built of buff brick with a slate roof and has some well carved heraldry in the brickwork (by



Roderick Gradidge's striking brick tower for St Edmund's College, Cambridge

Richard Kindersley). The tower has succeeded in capturing the plan of the college, giving it a prominent entrance and literally raising its profile in Cambridge. Gradidge worked throughout the scheme with the Charter Partnership.

Shades of Tudor and Gothic revivals are clearly in the air with attention focused on the fate of the unrepaired Albert Memorial in London's Kensington Gardens, which is now a neglected victim of government parsimony. There is an

argument for putting Albert into a glass case but a public appeal for funds looks more likely. That will be a real test of the national enthusiasm for the Gothic - and the recent news that passengers from the Channel Tunnel trains are now given to arrive at St. Pancras gives Railway Gothic a sudden international dimension.

I would like to see architect Michael Hopkins put in charge of the replanning of the station, as he has the rare skill of understanding and adding to the past without any hint of

nostalgia or pastiche. He would also provide ample evidence to our visitors from Europe that although we love the Gothic we are not totally smothered by Gothic gloom. Next year's exhibition at the Victoria and Albert Museum devoted to the life and work of Pugin will show once and for all how Gothic architecture and design can marry structural ingenuity with colour and decoration in a way that many contemporary architects still find difficult to contemplate, let alone achieve.

D'Oyly Carte/Arthur Jacobs Orpheus in the Underworld

THE D'Oyly Carte Opera Company's cross-channel leap from Gilbert and Sullivan to Offenbach has been sympathetically awaited. *Orpheus in the Underworld* is announced as a first step in a broadening of the company's repertoire of light opera. It comes as a co-production with Opera North, sharing the same designer (Tim Hatley) and director (Martin Duncan) but with D'Oyly Carte's own musical director, the capable John Owen Edwards, and with a cast largely overlapping with that of the companion-piece for the current national tour, *The Pirates of Penzance*.

To complain of timidity in the choice, on the ground that *Orpheus in the Underworld* is the most familiar of the dozens of works in Offenbach's output, is probably to miss the point. The essential musical fix of this score plus the ready opportunity for gaudy the gods of Olympus mean that the piece can hardly fail. The same assurance can be given with the D'Oyly Carte version, even though it is really *Orpheus in the Underworld*. It is not merely a matter of scenery and effects, with tatty, ill-fitting costumes; its poverty is also the poverty of imagination. The staging manages to be both congested and over-symmetrical, allowing jiggling and bum-shaking are passed off as dancing.

David Fieldsend rombles through the role of Orpheus, his persistently faulty miming of the solo violin part hardly

credible in a music-based company. His spoken lines are delivered in a nondescript northern accent (why do directors suppose, as Ken Russell did with the RNO's *Princess Ida*, that regional dialect is funny in itself, however unconvincing?). At Birmingham last Thursday, most of the characters seemed not so much to be playing their roles as playing at them - the outstanding exceptions being Barry Patterson, a tall, dashing devil of a Pluto; Gareth Jones, with just the right pathetic and comic touch as Pluto's servant, John Styx; and Jill Pert, whose self-righteous but nimble-footed incarnation as Public Opinion would have done honour to Patricia Routledge.

Moving down from Mount Olympus to Pluto's dominions, the second act showed some improvement. Mutual sparks began to fly between the pretty, sweet-voiced Eurydice of Mary Hegarty and the rather dry-toned Jupiter of Alan Watt. Here the smart new translation by Jeremy Sams was to be released, though I maintain that Geoffrey Dunn's former translation was smarter still. Finally, of course, the *com-com* - or rather *can't-can't*. If the expectation of Parisian flavour would have been unreasonable, some comparable inventiveness was needed. But things just bumped along - a verdict which has to be applied to too much of this short-lived evening.

Alexandra Theatre, Birmingham

Opera in Berlin/Andrew Clark Fabbricini's Tosca

The soprano who brought *La traviata* back to Milan three years ago after a generation's gap was Tiziana Fabbricini, a petite Italian discovered and much loved by Riccardo Muti. Since that triumph, far from flying round the world on Muti's coat-tails, we have heard very little of her - unlike her Alfredo, Roberto Alagna, who made a much-improved Covent Garden debut last season. In the past two months, however, Fabbricini has finally begun to spread her wings, allowing audiences in Berlin and New York to hear her Violette.

The Deutsche Staatsoper in east Berlin also engaged her to sing *Tosca*, which gave her the chance to prove she is more than a one-role singer. There must have been many like myself who questioned whether Puccini's doughty heroine was the right step forward. In the event, the doubts were swept aside. Fabbricini is the opposite of the Valkyrie breed of Tosca currently prevalent - fragile and feminine, young enough to be naive and impulsive, subtle in her body language instead of relying on Verona-size brush-strokes. She may miss the glamorous *haute-couture* of the prima donna, but she has an authentic stage personality, dramatic and vulnerable. And the way she allows jealousy, romantic passion and anger to flare in quick succession underlines that *Tosca* is a woman with Latin blood coursing through her veins.

The more refined Italian instincts are to be found in her natural projection of words,

grace notes and melodic line. She produces remarkable volume for such a small frame, but never volume for the sake of it. The voice itself is very much a matter of taste, which is why Fabbricini is unlikely to make a big recording career: you have to see her to appreciate her. The timbre is not conventionally beautiful. When not in full flood it has a brittle quality that can sound dangerously close to parlando. Yet even in such moments she communicates genuine emotion.

Her Cavaradossi was another up-and-coming singer who has yet to make an impact in London - the Latvian tenor Sergey Larin. As before someone who has already sung Don Carlo at La Scala, he shows good vocal manners, bringing a handsome, even ring to the arias. He also looks presentable, despite some unimaginative acting. Sherrill Milnes, one of his increasingly rare visits to Europe, brought a sense of patrician menace to Scarpia, one of his best-known parts - though the vocal colour is beginning to fade.

With three such well-matched principals, *Tosca* recaptures some of the magic of our first encounter with it. The Staatsoper staging, first produced in Germany in 1976, provided a glimpse of pre-Barbican days - simple and serviceable, with strong comprimario singing. The conductor, Eugene Kohn, was about two bars behind everyone else, but the Staatsoper (on automatic pilot) played well.

London premieres of Saxton's Cello Concerto and Dillon's Introitus/Andrew Clements

Britten Festival begins and ends with innovation

The London Symphony Orchestra's Britten Festival began four weeks ago with a new work commissioned from Colin Matthews; its final orchestral concert, conducted by Oliver Knussen at the Barbican on Thursday, included a second premiere, from Robert Saxton.

Saxton's new Cello Concerto was written expressly for Mstislav Rostropovich, and its proportions are imposing: it plays continuously for more than 30 minutes and it sets the solo cello against an orchestra that includes triple brass and a hefty battery of percussion.

The music moves out from a lengthy orchestral introduction, a "structural upbeat" in Saxton's terms, through carefully delineated sections which include a reflective slow movement and a dance-like scherzo back to the quiet ruminations with which it opened.

The progression from darkness to clarity and back again is typical of Saxton; he refers to the concerto as being "programmatic" in an abstract way, and certainly the very ending has almost a theatrical tension, as the cello line is left hanging with only a bass pedal to support it. Otherwise, though, the concerto is dogged rather than dramatic and it is difficult not to feel that Saxton has missed a precious opportunity.

There are few more committed musical advocates than Rostropovich, whatever the cause, yet Saxton set him a thankless task too much of the concerto condemns the soloist to busy figuration, as the thematic material is put routinely through its paces.

The ideas are never vivid enough, nor the interplay between the cello and the orchestra sufficiently striking, what could have a hum-drum, intense work, given the auspicious circumstances, turned out to be a grey, undistinguished one.

James Dillon's *Introitus*, introduced to Britain at St Giles, Cripplegate on Friday by Music Projects/London under Richard Berris, scarcely set the pulse racing any faster. It is the latest instalment of the *Alise Rivers* cycle which has preoccupied Dillon since 1982, and by a long way the most ambitious to date.

Planned as the eighth segment in the finished sequence (with the third, fifth and ninth still to be completed), *Introitus* was first performed at IRCAM in Paris three years ago; an ensemble of 13 strings is embedded in a web of computer-generated taped sound and electronic transformations which envelops both listeners and performers, creating what Dillon hopes is "a tidal delirium opened up by the employment of computer technology".

The programme note painstakingly details the sources of the tape (from the string instruments themselves to the sound of cicadas and the periodicity of pulsars) and the digital techniques that were applied to them.

For the most part, however, the sound is homogenised into a continuum through which the instrumental sounds, live and treated, only emerge vaguely.

The total effect is generally far too amorphous; the telling moments towards the end of the 30-minute piece, appearing almost anecdotal in this context, arrive too late to lift what comes across as a forbidding and unrewarding experience.

David Murray on an impressive performance by the young Russian pianist and Grand Prizewinner of the Santander competition

Eldar Nebolsin's encores redeem a lost hour

All unawares, I reached the Wigmore Hall on Friday evening just in time for the interval; my newly repaired watch had somehow mislaid an hour during the afternoon. It was frustrating to hear such excited reports of what young Nebolsin had been doing with Liszt's "Dante" Sonata, and with Beethoven's op. 31 no. 3. Fortunately, there was enough music in the second half of his programme to stretch him again: the excited reports proved to be entirely in order, and I was sorrier still to have missed his "Dante".

Nebolsin was born in 1974, like the prodigious Siberian violinist Maxim Vengerov, and in a still more exotic corner of Russia, Tashkent, where he pursued his studies until only a year and a half ago. He works now with the teacher Dimitri Bashkirtov in Madrid, and last year he was Grand Prizewinner at the Santander competition. The continuing westward stream of precocious Russian artists, whose difficult times at home are driving them abroad, must be discouraging for their Western coevals.

How do those "provincial" Russian music-schools contrive at once to polish their budding solo performers to a dazzling virtuoso gloss, to instil in them a firm respect for period manners, and yet to leave their communicative energy and imagination untrammelled? European conservatoires hardly ever manage that: with their protocols, between lusty individual attack and revealing musicianship it's usually one or the other.

Still a somewhat gangly adolescent, Nebolsin springs at the piano like an instinctive performer.

ing animal. His technique is brilliantly articulated, with a bias toward the feral pounce and sharp clang of Horowitz's style. Everything he does is alight with feeling. Here, in Chopin's B minor Sonata, the Scherzo and Finale glittered to urgent purpose; the languorous, visionary byways of the opening movement weren't indulged (Nebolsin's range doesn't run so far yet), but given crisp up-tempo treatment as moments within the overall form.

All of it was bracing to hear, electric with conviction. In a couple of the Chopin Mazurkas, he captured just the second-beat-in-the-bar mazurka-lift that we missed last week in Marc Lefort's. (For want of it, as I wrote then, his came rather near to sounding like French *valse*.)

In Sofia Gubaidulina's 1962 *Chacon*, forming her first bold "serial" exercise, Nebolsin's address was forceful, lean and linear where two weeks ago Andreas Haefliger had conjured up warm, suggestive hazes from the residual hints of tonality.

For encores it was no surprise that the young Russian should choose extrovert, heart-on-sleeve Rakhaminov; nor that he should deliver it with such resounding favour. Some scatterings of wrong notes were forgivable and forgettable; with Nebolsin they amounted to mere flecks upon a palpably vital current.

Wigmore Hall, London; presented by the Isaac Albéniz ACT's Foundation, with sponsorship by Morgan Stanley

Châtelet International jazz piano week: Kenny Barron Trio tonight, Ahmad Jamal Tomorrow, Manuel Rothenberg Trio on Wed, Lou Levy Duo on Sun.

Performances begin at 21.00 at Châtelet Auditorium (4028 2840) Bastille Studio March 28 and April 2 at 18.30: Patricia Castelli hosts the latest in the Bastille's Carte Blanche series, in which a jazz musician devises a programme with guest artists of his choice (4001 1616)

State Theatre Dance Theatre of Harlem, daily till Sun with repertory including Struvin's Songs of Mahler, *Alley's The River* and a revival of *Creole Giselle* (870 5570) Julliard Opera Center Thurs, Fri, Sat, Sun: Britten's *The Rape of Lucretia* (769 7406)

NEW YORK

THEATRE
● Putting it Together: a celebration of Stephen Sondheim's music, with Julie Andrews (Manhattan Theatre Club at City Center, 131 West 56th St, 581 1212)
● The Goodbye Girl: Bernadette Peters and Martin Short star in a new musical based on Neil Simon's 1977 film (Marquis, Broadway at 46th St, 307 4100)
● Oleanna: David Mamet's powerful drama that stirs up ideological (Orpheum, 126 Second Ave at 8th St, 307 4100)
● The Sisters Rosensweig: Wendy Wasserstein's new play, a comedy with serious undertones, about the reunion of three American Jewish sisters in London (Ethel Barrymore, 243 West 47th St, 239 6200)

CONCERTS
Carnegie Hall Tonight: Jesus Lopez-Cobos conducts Cincinnati Symphony Orchestra in works by Shostakovich, Bartok and Sibelius, with violin soloist Viktoria Mullova. Tomorrow: Cincinnati Pops.
Fri: Brodsky Quartet.
Sat: Maurizio Pollini piano recital. Sun: gala with comedian Bill Cosby (247 7800)
Avery Fisher Hall Sun afternoon: Brandenburg Ensemble plays works by Vivaldi, Mozart and Haydn. Sun evening: Gidon Kremer, accompanied by Oleg Maisenberg, plays works by Dvorak, Bartok, Liszt and Irving Schuster (875 5030). Sun at Alice Tully Hall: Rones Fleming song recital (875 5050)

JAZZ/CABARET
Blue Note Tomorrow and until Sun: Cleo Laine and John Dankworth. Next week: Maynard Ferguson. Showtimes are 21.00 and 23.30. Dining (131 West 3rd St, 475 8592).

European Cable and Satellite Business TV

(All times are Central European Time)
MONDAY TO THURSDAY
Super Channel: European Business Today 0730; 2230
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Wednesday Super Channel: Financial Times Reports 2130
Thursday Super Channel: Financial Times Reports 2030; 0130
Friday Super Channel: European Business Today 0730; 2230
Sky News: Financial Times Reports 0530
Saturday Super Channel: Financial Times Reports 0830
Sky News: West of Moscow 1130; 2230
Sunday Super Channel: West of Moscow 1830
Super Channel: Financial Times Reports 1930
Sky News: West of Moscow 0230; 0530
Sky News: Financial Times Reports 1330; 2030
Arts Guide
Monday: Berlin, New York and Paris.
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.
Wednesday: France, Germany, Scandinavia.
Thursday: Italy, Spain, Athens, London, Prague.
Friday: Exhibitions Guide.



BERLIN

OPERA/DANCE
Studio Babelsberg Daily from tomorrow till Sat: Impressions de Pelléas, Peter Brook's Debussy adaptation (Berliner Festspiele 254890)
Deutsche Oper Tomorrow: Gounod's Faust.
Thurs: Madama Butterfly with Helen Field.
Fri: Il trovatore.
Sat: Der fliegende Holländer with Luana De Vil and Oskar Hillebrandt.
Sun: Valéry Pano's production of Prokofiev's ballet *Cinderella*.
March 31: Agnes Baltsa and Neil Shicoff head the cast in revival of German (341 0249)
Staatsoper unter den Linden.
Tomorrow and Sat: Die Zauberflöte.
Wed and Thurs: Patricia Bart's production of Miklos's ballet *Don Quixote*.
Fri: Aida with Mara Zampieri and Giorgio Zancanaro.
Sun: Daniel Barenboim conducts Maurice Béjart's new ballet double bill.
April 2: first night of new production

CONCERTS

Schauspielhaus Tonight: Günter Wand conducts Berlin Radio Symphony Orchestra in symphonies by Schubert and Bruckner.
Tomorrow: Neue Kammermusik Berlin in works by Boulanger, Chabrier and Roussel.
Wed: members of orchestra of the Deutsche Oper play French 20th century chamber music.
Thurs, Fri, Sat: Jiri Kout conducts Berlin Symphony Orchestra in works by Mozart and Bruckner, with violin soloist Sergei Stedler.
Sat in Kammermusikhaus: Howard Shelley piano recital.
Sun and next Mon: Heinz Rögner conducts Berlin Radio Orchestra in Mahler's Seventh Symphony.
Next Mon in Kammermusikhaus: Kathleen Battle (2030 2158).
Philharmonie Tonight: Alois Koch conducts Choir of St Hedwig Cathedral in Frank Martin's *Golgotha*.
Tomorrow, Wed, Thurs: Pierre Boulez conducts Berlin Philharmonic Orchestra in works by Stravinsky, Webern, Debussy and Ravel.
Fri: Kurt Masur conducts New York Philharmonic Orchestra in works by Barber, Sheng and Dvorak.
Sun and next Mon: Hiroshi Wakasugi conducts Berlin Radio Symphony Orchestra in Messiaen's *Tuanga* Symphony. (2548 8232)

THEATRE
Alfred Kirchner directs Peter Turrini's new play *Alpenglöhen* at Schlosspark Theater, first night on Sun. (793 1615).
Hans Recknagel is Teyve in

Metropolitan Theatre's new production of Fiddler on the Roof (Anastasia)

opening on Fri (2036 4117).
Richard Enrie has a final week of Rolf Hochhuth's controversial new play *Weiss in Weimar*. (282 3160).
Schiller Theatre's repertory includes Klaus Pohl's topical play about German xenophobia, *Die schöne Fremde* (312 8505).
Theater des Westens has Cole Porter's musical *Anything Goes*, daily except Mon. (3160 3193)

PARIS

OPERA/DANCE
Opéra Bastille Tonight, Thurs, next Mon and Wed: Myung-whun Chung conducts Denis Krief's new production of Benvenuto Cellini, with Chris Merritt and Diana Montague.
Tomorrow and Fri: Julius Rudel conducts Jorge Lavelli's production of Faust, with Francisco Araiza, Barag Tumanian and Nelly Miricioiu.
Sat: Samuel Ramey song recital (4001 1618).
Palais Garnier Tomorrow, Fri, next Tues: Peter Schneider conducts final performances of Johannes Schaefer's production of *Capriccio*, with Felicity Lott, and also starring Ann Howells, Theo Adam and Wolfgang Schoene.
Thurs, Sat, Sun: Ecole du Ballet de l'Opéra de Paris (4742 5371)
Opéra Comique Tomorrow, Wed, Thurs: Mireille, with Michele Command and Maryse Castets alternating in title role.

CONCERTS

Châtelet Wed, Friday, and next Monday: Daniel Barenboim conducts revival of Charles Chabrier's production of *Wozzeck*, with Franz Grundheber and Waltraud Meier (4028 2840)
CONCERTS
Théâtre des Champs-Élysées
Tonight: Kathleen Battle song recital.
Tomorrow: Philippe Herreweghe conducts Beethoven's Violin Concerto (Monica Huggett) and Fourth Symphony.
Wed: Augustin Dumay and Maria Joao Pires play violin sonatas.
Thurs: Michel Plasson conducts concert performance of Ravel's *L'Heure Espagnole*.
Fri: Valery Afanasev plays Schubert piano sonatas.
Sun and next Mon: Kurt Masur conducts New York Philharmonic Orchestra (4720 3637)
Salle Pleyel Fri: Stuart Bedford conducts Orchestra and Chorus of Radio France in Britten's *War Requiem*, with Margaret Jane Wray, Ian Caley and Bryn Terfel. (4683 0796)
Châtelet Thurs, Fri, Sat: Haydn and Bartok cycle with Tokyo String Quartet (4028 2840).
Sat at Théâtre de la Ville: Kyung-wha Chung, accompanied by Stephen Kovacevich, plays Beethoven violin sonatas. (4274 2277)

JAZZ/CABARET
Lionel Hampton Jazz Club Ann Peebles, voice of St Louis soul, daily till April 3, music from 22.30 (Hotel Meridien Paris Etoile, 81 Boulevard Gouvion St Cyr, tel 4068 3042)

Châtelet International jazz piano week

Kenny Barron Trio tonight, Ahmad Jamal Tomorrow, Manuel Rothenberg Trio on Wed, Lou Levy Duo on Sun.
Performances begin at 21.00 at Châtelet Auditorium (4028 2840) Bastille Studio March 28 and April 2 at 18.30: Patricia Castelli hosts the latest in the Bastille's Carte Blanche series, in which a jazz musician devises a programme with guest artists of his choice (4001 1616)

OPERA/DANCE
Metropolitan Opera Tonight and Fri: La traviata with Tiziana Fabbricini and Neil Rosenshein. Tomorrow and Sat: Elijah Moshinsky's new production of

Ariadne auf Naxos, with Jessye Norman, Susanne Mentzer and Thomas Moser.

West: James Levine conducts Das Rheingold with James Morris and Edwina Doolittle.
Thurs: Cav and Pag with Domingo.
Next Mon: Lucia di Lammermoor with Sumi Jo and Alfredo Kraus (362 6000).
State Theatre Dance Theatre of Harlem, daily till Sun with repertory including Struvin's Songs of Mahler, *Alley's The River* and a revival of *Creole Giselle* (870 5570) Julliard Opera Center Thurs, Fri, Sat, Sun: Britten's *The Rape of Lucretia* (769 7406)

NEW YORK

THEATRE

Crosstown traffic

Richard Tomkins on financing a London rail link

At last, the chancellor has given the go-ahead for central London's biggest public transport project since the opening of the Victoria Line in 1968. From around the turn of the century, people travelling on suburban trains into British Rail's Paddington and Liverpool Street terminuses will no longer have to change to the Underground to reach the West End and the City: they will stay on their trains and be carried through to their destinations on CrossRail, a new rail link underneath the capital.

Or will they? More precisely, what the chancellor actually announced in his Budget speech was that the government was to seek ways of attracting private finance into the £2bn project, rather than building it with public sector money as originally planned. On the face of it, the idea has some appeal. It is sometimes forgotten that virtually the whole of London's Underground railway, bar the Victoria Line and a few extensions, was created by the private sector. A substantial part of it was built by Charles Tyson Yerkes, a convicted embezzler from Chicago, who doubled the size of the network with three new lines between 1905 and 1907 and profited handsomely as a result.

The case for building CrossRail is that, like many other big cities, London suffers from having its railway terminuses

on the outskirts of the central area. The result is that about 200,000 rail commuters a day have to switch from main line trains to the Underground to get to where they want to go, putting heavy strains on the system. The problem has worsened with the outward migration of London's population.

One solution is to join the city with those on the opposite side, so allowing trains to run right through the centre. London has already done this in a small way with the Thameslink service, which uses limited capacity on an old cross-city route to take some suburban trains through the capital on a north-south axis.

The main obstacle to building new cross-city lines is their cost. Invariably, they have to go underground, and costs are further increased because the tunnels and subterranean stations have to be big enough to take main line trains.

So how were Yerkes and his ilk able to build Underground railways at a profit? The answer is that labour was cheap in those days, and construction costs low. Costs were further minimised by digging lines just below surface level (as with the District and Metropolitan lines) or, in the case of the deep-level tubes, building very small-diameter tunnels (hence, today's cramped trains). Further, some companies made substantial property gains from the development of

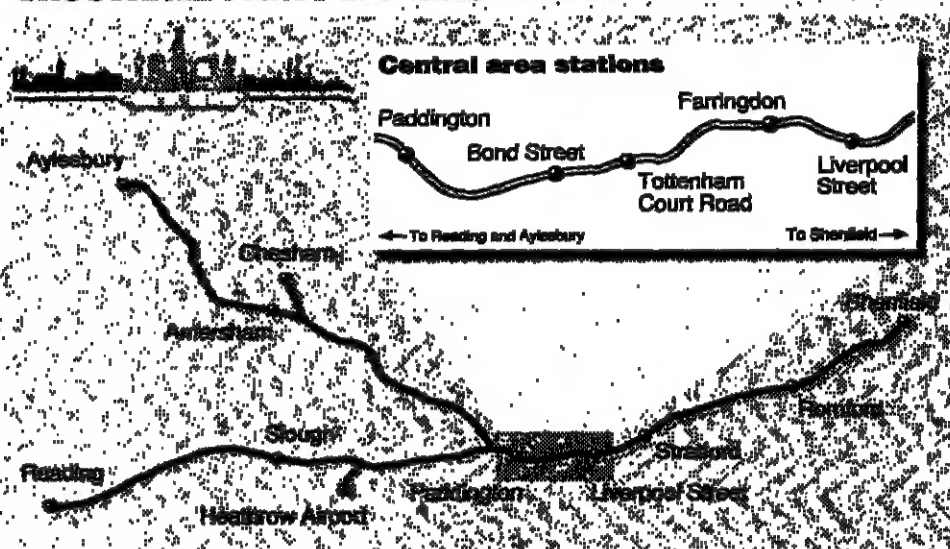
land adjacent to the surface sections of their lines. And, significantly, all were able to charge realistic fares because the absence of motor cars and buses gave them a monopoly on mechanised transport in the capital.

Things are different today. There are few opportunities for development gains in a tunnel, so the private sector would have to remunerate its investment in CrossRail almost entirely by charging train operators tolls for the use of the link.

The tolls, of course, would have to be recouped by charging passengers higher fares for going to destinations on the link than for stopping short of it. But if the price was much higher, passengers would simply disembark at Paddington or Liverpool Street as now and continue their journeys by Underground, bus or foot. So CrossRail could find it difficult to charge a toll high enough to cover its operating costs, still less make a dent in its financing and construction costs.

It hardly looks a project fit for another Yerkes. But then, perhaps nobody ever really thought it would be. The cynical view is that, whether or not the CrossRail bill is revived after Easter, the government is looking for an excuse to dump the project altogether. Paris, meanwhile, has already completed three cross-city lines, has a fourth under construction, and is planning a fifth.

CROSSRAIL: routes and main stations



Mr Mick Newmarch, chief executive of Prudential, Britain's largest insurance company, loves to tell about the time he paid a sales call on a young woman policyholder. The woman, needing to look up the details of her policy, turned to the family bible. And there, on the flyleaf, was the policy number of every Prudential life insurance product ever owned by a member of her family.

But now, the traditional relationship between customers and insurers is coming under attack from Office of Fair Trading proposals for a new disclosure regime that threatens to revolutionise the way life products are sold.

Last week, the OFT said proposals by the Securities and Investments Board, the City's chief watchdog, had "significant anti-competitive effects" and did not give prospective customers enough information to help them make wise choices among products, companies or sales agents. The SIB rules were intended to replace the current regime under which shoppers learn almost nothing about how much they pay life insurance companies when they buy a policy.

Now, the Treasury will examine the OFT report and will order the SIB to draft another set of rules for the industry if it agrees with the conclusions.

The OFT proposals will, for the first time, allow Mr Newmarch's favourite customer to find out before she buys her next policy how much is being deducted from her premium payments to cover the Pru's costs. Also, she will learn how much the policy is worth if she surrenders before maturity and, if she bought the policy through an independent financial adviser, the cash amount of commission he will earn on the sale.

The question is: will the effect of the additional information be to discourage the purchase of insurance products generally? And, will it encourage investors to seek low-cost products - or low-cost sales outlets - now that shoppers will know roughly how much each product costs?

The Association of British Insurers, the industry trade association, thinks it knows the answer, but it does not like it. It intends to lobby against the proposals, saying they will add to the industry's costs and offer few benefits to consumers.

Mr Tony Baker, ABI director of public affairs, says: "It will

OFT disclosure plans threaten to revolutionise British insurance practices, says Norma Cohen

Not on your life, say insurers

serve to put people off from buying the product. It will have an unnecessary and unfair effect on life insurance sales."

That is the nub of the running battle between regulators and the life insurance industry since the Financial Services Act went into effect in 1987.

"The FSA was really a watershed," said Mr Charles Cannon, partner at consulting actuaries Mercer Fraser. "It came as a shock to the industry that life products were even deemed investments." Mr Cannon notes that for decades, the life insurance industry had won tax breaks and a favourable regulatory regime by arguing successfully to parliament that it fulfilled a social function: that of providing for families after the death of breadwinners. The companies argued that they collected small bits of money from many people and invested the sums in British industry.

So attractive were the tax breaks on insurance products and so loose the regulation that companies piled into the business; there are more than 120 insurance companies operating in Britain. "Let's face it," said the chief executive of one major company. "These companies just opened the door and the money poured in."

In recent years, the insurance business has become exposed as regulators - and the financial press - came to grips with the heart of the business.

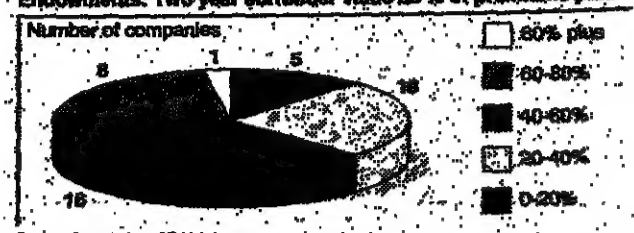
"It is fair to say that the more information which has become available about life insurance, the less attractive it looks," Mr Cannon said. Figures in the OFT's report, for instance, show that by the 20th year of a 25-year endowment policy, a consumer cancelling the policy will only earn 40 per cent of its final face value even though 80 per cent of the premiums have been paid.

A study last year by the SIB found that a quarter to a third of all life and pensions policies are cancelled within the first two years, a point at which most customers will receive

New individual life and pensions business

	Year ending 31/12/92	Year ending 31/12/91	Change
Annual Premiums	£m	£m	
Assurances and annuities	1,955	1,983	-7
Personal pensions	1,117	1,114	+3
Single Premiums			
Assurances and annuities	3,186	3,395	-209
Personal pensions	5,283	3,398	+1,885

Endowments: Two year surrender value as % of premiums paid



Source: Association of British Insurers

only a small fraction of premiums paid as a refund.

Public pressure for regulators to tackle life insurance has become acute. "For one thing, the average consumer has become much more sophisticated about financial products," said Mr Tom Pyne, chief executive of London and Manchester Group. "Also, with so

tors that, unlike cars and refrigerators, insurance is so complicated it is impossible to tell shoppers exactly how much they will have to pay for it.

This lack of transparency in price has allowed insurance companies to pass on their rising costs to consumers with no discernible effect on sales. And rise they have, according to observers.

Mr Marshall Field, formerly a partner at actuaries Bacon and Woodrow, who prepared a report on sales commissions for Lloyds, the self-regulatory body for the life insurance industry, points out that there is no lack of competition in the industry. However, competition has been for sales outlets, not for consumers. By outbidding each other for sales agents, life companies found they could increase volumes substantially.

"The industry was not competitive in the true sense until relatively recently," said Mr Geoffrey Westall, manager of the European life practice at consulting actuaries Tillinghast and Co.

Until now, the life insurance industry has convinced regula-

More competition under the OFT plan will bring about a restructuring of the industry and threaten life insurers in several ways. First, prospective customers will for the first time be able to compare the charges deducted from their premium payments. "It will expose the changing structure of with-profits policies," said Mr Pyne, explaining that such disclosures would inhibit the size of commissions that life insurance companies would be able to offer sales agents. Sales commission is the single biggest ingredient in the cost of a policy and very few consumers realise they are paying it.

Second, and perhaps even more significant, is the OFT proposal that banks and building societies, which are the "tied agents" of life insurers - they sell the products of one company exclusively - can charge less for the same product than other sales agents.

Mr Mike Wadsworth, partner at consulting actuaries R Watson said the new rule was certain to sharpen the competitive edge of so-called bancassurance. This is assurance sold by banks and building societies through their own branches to existing customers.

Mr Wadsworth argues that, in any case, life insurers would have had to come to grips with their distribution costs no matter what happened on the regulatory front. Competition from banks and European players eager to exploit the UK market pressure a shake-out in any event. "But regulation has been the sand in the oyster. Without it, the changes would not have happened so fast or been so far reaching," he said. Already, bancassurance is a far cheaper method of selling policies than the cold-calling approach of traditional sales agents, he added. The average agent sells a single policy per week, the average bank-based sales agent sells four.

While bancassurance is currently only 12 per cent of the UK market, Mr Wadsworth estimates it will be 30 to 50 per cent by the end of the decade. Thus the OFT, whose goal is fostering competition and protecting consumers, may be the unwitting instrument of a life insurance revolution.

Banks and building societies will challenge the role of traditional insurance companies, the long-term endowment policy will become a relic and companies will be forced to cap sales agents' commissions. In the likely industry shake-out which follows, the survivors will be those who move most quickly to fit the new model.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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A lesson too frequently ignored

From Mr Jonathan Virden.

Sir, Richard Tomkins ("Fast track to efficiency", March 17) illustrates a general rule for capital projects which is often ignored. This is that it is necessary to spend about 10 per cent of the total cost of a project before the main work is done to avoid having to spend an extra 50 per cent or more to make it work, outside budget and very late.

The difficulty is that 10 per cent of the cost of a big project seems like an enormous sum to spend without visible result, and is usually cut out of the plan, especially by those who only have to pay for the project.

With hindsight, and ignoring the effects of long-term inflation, the Docklands Light Railway project would have spent \$8m to determine that the original project for £77m would never work. Whereas £30m would have given a good chance of making an excellent system for £300m, thus saving half of the final cost.

The lesson is that what is certain or uncertain in one culture (engineering) cannot be easily transmitted to another (finance). But the same mistakes will be made again, or will public bodies learn?

Jonathan Virden,
Court Lodge,
Yalding,
 Maidstone,
 Kent ME18 6HX

Omissions regarding Telegraph purchase of Southam stake

From Mr Conrad Black.

Most important, your article inexplicably omitted all mention of the agreement between Hollinger and Power Corporation, whose benefits The Telegraph will share, which largely vacates the so-called "poison pill" arrangements which could have curtailed Hollinger's and The Telegraph's ability to be a constructive influence at Southam. No such modifications would have been accepted by Southam without the Power Corporation investment.

Now, Hollinger and Power, long-standing corporate friends and on occasion allies, will be able effectively to assist Southam management in accelerating the profit turnaround that seems already to have begun. The agreement assures an absolute equality between Power and Hollinger and its affiliates despite any fluctuations in shareholdings. Power's investment greatly strengthens Southam at no cost to Hollinger or The Telegraph.

I know of no precedent (and I doubt whether Lex does either) for one newspaper company to be offered so strategic a shareholding in another great newspaper company with the right to sell back its shares at its cost for a year. The only downside to The Telegraph is the interest for the year on the money required to buy the shares: less than 3 per cent, net of taxes and dividends. The

treasury would yield.

upside could be astronomical and the addition to The Telegraph's earnings, through equity accounting, should add appreciably to The Telegraph's share price.

This is a classic corporate recovery, identified by the same source, Hollinger, which discovered and made good on the Telegraph and Fairfax opportunities and which brought The Telegraph the one-year unrealised \$55m capital gain at Fairfax and the six-month \$5m gain on Trinity International shares.

It is presented to The Telegraph as another outstanding opportunity and I am confident it will be approved and will be a worthy sequel to those earlier successes. Given our expectations of being able gradually to raise our participation in Fairfax and Southam, the proposed investment will also create under The Telegraph the finest confederation, commercially and editorially, of quality newspaper titles ever assembled in one corporate affiliation.

The Telegraph's independent directors and minority shareholders will short-change themselves if they do not subscribe to this almost-risk free opportunity. In that unlikely event, Hollinger will be mystified but consolable to take the entire benefit for itself.

Conrad Black,
chairman,
Hollinger and The Telegraph

EC integration has not led to a more protectionist stance

From Mr André Sapir.

Sir, the EC is the world's largest importer and exporter of merchandise, even excluding trade among member states. It is therefore befitting that its commercial policy be subject to close scrutiny. I feel that the recent study by Prof Winters, as reported by David Marsh ("Single Market Watch: Europe turns inward", February 22), does not scrutinise adequately.

The study argues that the economic effect of EC integration has been far less positive than often argued, for two reasons. First, the EC has become increasingly protectionist. Second, the process of EC integration is inherently biased toward protectionist outcomes.

However, during the period 1980-91, domestic suppliers' share of the total of processed products consumed has steadily declined in member states (from 67 to 66 per cent), while the shares supplied by EC partners and non-EC partners have both risen (from 19 to 25 per cent and 14 to 19 per cent respectively). This reflects a lowering of the average of external protection for total processed products, rather than the alleged increase.

The opposite holds, though, for processed agricultural products. Here, the share of consumption supplied by extra-EC partners has actually declined (from 7 to 6 per cent), presumably as a result of the Common

Agricultural Policy.

The study's second allegation is that a coalition of states with a common external trade policy, like the EC, will automatically favour protectionist outcomes. Prof Winters has clearly in mind the "fiercely protectionist" CAP. Although there is no denying that levels of external protection have been high under the CAP, one cannot be sure that they would have been lower in the absence of the EC. The example of Switzerland and the Nordic countries, which protect their agriculture even more than the EC, suggests that the answer is not as evident as the author would have us believe.

My assessment of the impact

of EC integration differs substantially from that of Prof Winters. While he feels that the EC may have succumbed to the "danger of becoming inward-looking", I see a process of regional integration having led to substantial multilateral liberalisation, beyond what could have happened without the EC. Reinforcement by the EC of its commitment towards the multilateral trade system is the best way to ensure that integration will continue to be beneficial to both the EC itself and the world at large.

André Sapir,
economic adviser,
European Commission,
Brussels

Forte Crest announce the arrival of Business Class.

Business Class has certainly taken off at Forte Crest. It covers a full range of benefits and services. In fact you won't find a better value four star hotel in the UK. Because if you're not completely satisfied, we'll pay for your next night with us. It's what we



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Monday March 22 1993

Helping Russia to decide

PRESIDENT Yeltsin could not have been clearer, in his televised address on Saturday, about the choice now facing the Russian people. In the plebiscite planned for April 25, they have to decide whether the leader they elected by a 57 per cent majority in June 1991 is to be allowed to get on with the economic and democratic reforms he then pledged to undertake, or whether they prefer to be ruled by an assembly of anti-democratic relics from the old Soviet state.

In putting the question, and in giving himself "special powers" between now and the referendum, Mr Yeltsin is taking an enormous gamble. It comes perilously late in the day, when much of his political capital has already been spent. It is also not clear if he has thought through precisely how to frame the vote or to proceed thereafter: on Saturday he vowed to approve a new draft constitution and electoral law on top of a vote of confidence, a formula which may prove unmanageable.

What is certain is that the Russian president has no choice but to seek a renewal of his popular mandate if he is to retain any capacity to pursue his reforms - and that the west has no option but to swallow any discomfort about the constitutional niceties and support him in the attempt. In doing so, western governments need to be aware of the dangers. They cannot afford to become so entwined with particular personalities in Russia's internal struggle that they lose their freedom of action or judgement. They cannot

ignore the possibility that power has seeped away from the centre to such an extent that neither Mr Yeltsin nor anyone else can now prevent chaos in Russia. They can and should, however, make emphatically clear that they believe the reforms President Yeltsin symbolises to be the only path towards a peaceful and prosperous Russia in the long term; that the alternatives propounded in the Congress of People's Deputies are a recipe not for "order" but for increased disintegration and conflict; and that assuming the referendum results in the creation of a more legitimate and coherent power structure in which reforms can be pursued, a serious, concerted and highly visible programme of financial assistance will be made available.

The key words here are "in the long term". Mr Yeltsin's gamble can only pay off if it is the start of a sustained process. He cannot expect to produce a satisfactory constitutional settlement in a rush, and he cannot wait until a new constitution is in place before taking steps to make economic reform and financial stabilisation begin to work. That will almost certainly mean having to ask in the referendum for the extension of his special powers for a finite period while elections are held and deliberations completed on Russia's political future.

It is a daunting challenge. The west should do what it can to secure success, but should start thinking now about the consequences of failure.

US and Europe

IF SAVING the Russian reform process is now the most urgent issue for discussion between the US and its European allies, saving the Uruguay Round and averting a global slide into protectionism is hardly less so. Indeed, the two issues are closely connected. In the immediate crisis, a heated argument over trade issues would distract political leaders from the Russian problem and make it harder for them to agree on a plan of action. In the longer term, the west's ability to help Russia (or indeed anyone else) will be badly impaired, and the effect of any help it does give more than offset, if old and new trade barriers are allowed to impede a global recovery.

Both issues involve, or should involve, Japan as much as North America and western Europe. But the Atlantic alliance is much more firmly rooted in a shared cultural heritage, as well as being embodied in a more solid institutional framework, than the tri-lateral relationship - or for that matter either of the other legs of the triangle taken by itself. The Atlantic alliance was the backbone of the free world in the cold war. The best hope for a post-cold world order worth the name lies in its continuation, and indeed the gradual extension of its shared values and procedures, if not its specific institutions, to at least the main industrial powers of the northern hemisphere.

But continuation cannot mean simply leaving it alone, on the principle of "if it ain't broke don't

A new vocation

CENTURY of failure in Britain's vocational training and education cannot be quickly reversed. But the next two years should show whether a key building block of the new system - National Vocational Qualifications - is helping fill the country's skills deficit or merely giving a fancy new name to existing arrangements.

If it succeeds it may owe something to the unglamorous sounding National Advisory Council for Education and Training Targets (Nacett) unveiled last week. The small committee's high-powered membership, along with the co-operation shown by rival government departments at its birth, are promising signs.

NVQs are a critical part of Nacett's remit, aimed at the system's greatest weakness, namely the large number of young people with no vocational or educational qualifications. NVQs, which are meant to rationalise a maze of vocational qualifications, are now available to more than 80 per cent of the workforce. Based on competence tests rather than written exams, they stretch from level one (semi-skilled) to level five (higher professional). They are meant to promote mobility through core transferable skills and improve comparability both between occupations and between vocational and academic achievements.

Few people argue with the NVQ principle or with national education and training targets, in particular the aim that by 1997, 80 per cent of young people should have reached NVQ level 2 or its ac-

ademic equivalent of four higher grade GCSEs. But employers have been slow to sign up their employees to NVQs, and opinions are strongly divided about the way NVQs are organised.

Critics argue that there is little sign of parity of esteem between academic and vocational qualifications and that the lack of central authority, ultimately from Whitehall, has allowed the system to be hijacked by the 126 industry bodies which have designed unacceptably company and job-specific qualifications, with little emphasis on transferable competences.

For all this, the system is reformable. Nacett's annual report will be a useful spur. One immediate aim should be to establish reliable figures about how many people have, or are working towards, NVQs - the figure of 3m quoted by the National Council for Vocational Qualifications appears to be a guess.

At the same time, the NVQ assessment system could be made less rigid and expensive. It could also be made easier for people to sub-divide NVQs by doing a core qualification and then adding more sophisticated options. The upgrading of vocational qualifications remains in its infancy in Britain. Education reformers are familiar with the problem of seeing their work damaged by vested interests. It will take combined determination from the Education and Employment departments to overcome the difficulties. But the task is not impossible - the targets must be met.

Mr Boris Yeltsin, the embattled president of Russia, has broken out, a move which now seems to have been inevitable. Pinned in by decisions of the last Congress of Peoples' Deputies - which gave parliamentarians the right to cancel his decrees instantly and even to suspend the office of the presidency, Mr Yeltsin has taken his tail from between his legs and stung them into decreed oblivion.

He told the country on Saturday night that he had "signed a decree on special rule until the power crisis is overcome". On April 25, a "vote of confidence" in the president and General Alexander Rutskoy, his vice-president will be held throughout Russia. At the same time, another popular vote will be held on a draft constitution and a draft electoral law. If these are passed, elections for a new parliament will be held under the provisions of the new constitution and the revised law.

Mr Yeltsin also said that the structure of the new parliament would be wholly different from the present Congress of Peoples' Deputies and its smaller permanent Supreme Soviet, but he was not specific about any changes. In the past, he has expressed a preference for a bicameral assembly.

Until the deputies are replaced, the president added, they may continue to work - but "no decisions... which aim to change or suspend commands or instructions of the president or resolutions of the government have any legal force". At the same time Mr Yeltsin has directed Mr Viktor Chernomyrdin, the prime minister, to draw up a law on the private ownership of land.

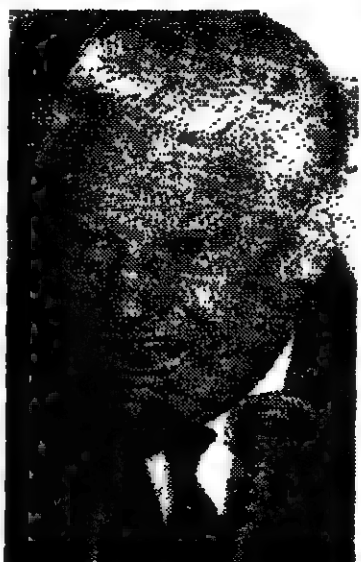
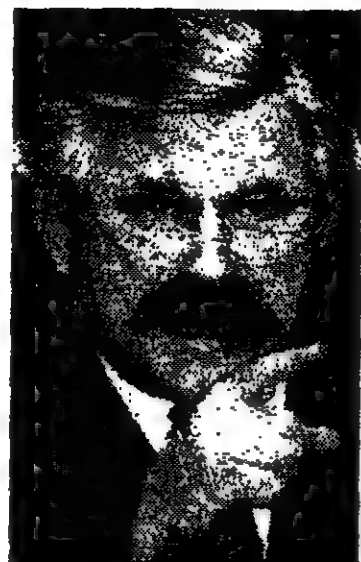
In the main, Mr Yeltsin's directives are unlawful, violating numerous articles of the Russian constitution. Article 121, for example, explicitly states that the president cannot disband or suspend the parliament. Other provisions repeatedly declare that the Congress is the supreme power in the country and that it has the right to do anything it wishes.

Mr Yeltsin's actions were described as a "coup" by Mr Valery Zorkin, head of the Constitutional Court, who cut short a visit to the US at the end of last week because of the crisis. Yesterday he convened an immediate sitting of the court. Though compromised by his failure to guarantee the December agreement between Mr Yeltsin and the parliament to hold a referendum, Mr Zorkin remains the country's senior law officer, and he gives the judgments against Mr Yeltsin the imprimatur of his office.

However, the Russian president did not claim that his actions were constitutional. Instead Mr Yeltsin

Yeltsin at last plays his hand

John Lloyd examines the gamble taken by the Russian president in his decision to impose special rule



Russian Khasbulatov (right) opposes a vote of confidence in Mr Yeltsin (centre) and Vice-President Rutskoy

has justified them on three grounds: his election by all of the people; the threat of a reactionary movement organised by the Congress; and his support for urgent constitutional and economic reforms. Together with his commitment to continue to respect human rights, this reasoning, though clearly not quelling every qualm on the part of his foreign backers, was enough to produce declarations of firm support from the leading foreign governments for his continued leadership of reform.

Meanwhile, Mr Yeltsin told the army to stay out of the conflict between himself and the Congress. The military leadership will probably be grateful that he did not ask for their direct support. Interior troops and the security services are also unlikely to intervene, at least not overtly, for the moment.

Mr Chernomyrdin, who addressed parliament yesterday afternoon, was also supportive. "In these conditions, it is not at all easy to pull ourselves out of an economic crisis," he said. Nonetheless, the government was solidly behind the president because of the need to break out of the chaos and to "defend the constitutional order as a whole".

Yet the opposition in parliament believes that it commands the moral high ground. The president is acting unconstitutionally, it contends, and he is rushing the nation towards civil war. Indeed, one of Mr Yeltsin's longtime supporters, Mr Eduard Shevardnadze, the Georgian leader and former Soviet foreign minister, commented that the possibility of internal conflict in Russia appeared so real "that I can almost smell it".

In the main, Mr Yeltsin's directives are unconstitutional and have been described as a coup

"The worst has happened," Mr Russian Khasbulatov, the parliamentary speaker, told the parliament yesterday. He repeated that his belief was that the president was "in breach of the constitutional laws". He said that even though Mr Yeltsin had asked for a vote of confidence in both president and vice-president, he could not co-sign such a decree. He has thus put himself (not for the first time) in the

opposite camp.

But how have the Russian people reacted? A few thousand supporters of each side - separated by lines of police - yesterday rallied round the White House, the Russian parliament building. Hardliners supporting the Congress tried to beat up an American TV crew, and a Reuters correspondent quoted an elderly lady - carrying a portrait of Stalin - saying she was fighting against dictatorship.

Yet recent polls have suggested that public apathy is growing. Some show that as many as 70 per cent see recent political events as having no relevance whatsoever to their lives. The Russian people, as Mr Yeltsin has himself observed, are infamous for their spells of passivity broken by sudden explosions. If this pattern holds true, the polls are alarming.

Mr Yeltsin's domestic and foreign supporters - who are split on the advisability of his tactics but broadly behind him in doing something to break out of the stalemate with parliament - have two principal concerns: first, that his gamble of going to the people will be technically possible; and second, that the people should vote in large numbers. Neither can be assured.

It is still unknown precisely what Mr Yeltsin means by a "vote" on April 25. It is presumably not to be a referendum or Mr Yeltsin would have said as much. Referendums, moreover, are absolutely ruled out by the constitution - something Mr Yeltsin has appeared to accept.

If it is an informal plebiscite, about which he has spoken often, a great deal of organisation is necessary: people need to be able to vote at polling stations, supervision is required; votes must be counted; and it must be seen to be fair. It will also take millions of roubles, and there is as yet no word on where the funds will be found.

A full-fledged referendum needs at least 50 per cent of the electorate voting before it is valid. A plebiscite would need no such thing, but the turn-out would have to be more than, say, 25 per cent before it could be taken seriously. Even such a modest level may be too much to expect in present conditions. However, supporters of this strategy say that, with a four-week campaign, and a populace roused by rhetoric and struggle, the issue may be dramatised enough to stir action.

A final question is whether Mr Yeltsin can keep on the peaceful path he clearly wishes to tread. Can he hold out to the leading industrial companies a reasonable prospect of being a stable partner in their increasingly frenzied efforts to find some way of assisting him?

He has showed his cleverness by allowing the Congress to continue to meet and work. He has no obligation to arrest them: he can ignore (under the terms of his own decree) any resolutions which may cancel his orders; and if the Congress impeaches him, or attempts to strip him of powers, it must act - which, in the end, means it must secure the allegiance of at least part of the armed forces.

Even though this puts the ball in his opponents' court, it also represents a great danger. Each side in the confrontation, in seeking to make its power paramount, demands loyalty of one or other of the armed forces. It is not impossible - indeed, it is relatively easy - to envisage a split between forces loyal to the parliament and those loyal to the president, rather like a replay of the English civil war three centuries on. Mr Yeltsin, it was reported yesterday, has already renamed the elite Kremlin guard as the presidential guard, and put it under his direct control.

"He must have gone mad," said Mr Mikhail Gorbachev in an interview with Italy's La Stampa yesterday, *schadenfreude* getting the better of him again. Mr Yeltsin clearly has not gone mad. But he is equally weary, perhaps fearful - perhaps even losing heart. He will need every ounce of it for the struggle to come.

Samuel Brittan

How to misuse the price mechanism



A luggage trolley is one of the most useful of innovations, and, like many such, did not require sophisticated science and technology, but merely someone to think of the idea. It enables the feeblest person to transport his or her luggage without being fleeced by the red-coated "privatised" porter services to be found, for instance, at Heathrow Airport.

Alas, rarely has a good idea been put into effect for long when someone sets about spoiling it; and the bad example is copied. Imagine my chagrin when I arrived at Brussels airport a few years ago to find that a coin was required to release a trolley. Although I had small denomination Belgian notes, I did not have the coin required. The banks and newsgroups were closed; and none of my fellow passengers was able or willing to provide change.

Since then the habit has spread to other airports and to railway stations. The idea seems to be to find a new deterrent to cross-border travel now that customs barriers are coming down. It never seems to dawn on the clever idiots who installed the system that banks normally supply foreign exchange in notes; and not even flight attendants carry loose change.

Yet a further horror has been invented which I first discovered at Zurich railway station. This is to make the traveller pay a somewhat larger sum - two Swiss francs as far as I remember - but to return the coins when the trolley is finally deposited at the curb or on the platform. It is extremely difficult to discover how to make the extraction, and I am usually more concerned to secure my taxi than make the effort. Similar devices have apparently been installed in some supermarkets.

The trolley charging systems look at first sight like an application of the price mechanism, but on closer



Inspection turn out to be a misapplication to the point of caricature.

Other things being equal, the price of a trolley should roughly correspond to the extra ("marginal") cost to the airport or railway of providing this service, for an appropriate charge helps in the allocation of resources. With the right pricing policy, there is an incentive

for the airport or station to make available the appropriate number of trolleys - not too many or too few - and for the passengers to use them only if the advantage outweighs the cost.

The snag in the above argument is that the gains in welfare from the use of the price mechanism are heavily outweighed by the discomfort and inconvenience. If you want to be pompous you can talk about the disutility of striving too earnestly to maximise utility. There are many other examples where separate charging is not worth the bother. Hotels do not charge separately for light, heating, water, room-cleaning, and so on.

The transport authorities are simply trying to recover their costs. In that case would it not be simpler to add a small sum to the airport or station charge, which would be incorporated in the fare? The disincentive effect of the charge (as distinct from the nuisance cost of finding the coin) on the number of passengers using trolleys, must be

vanishingly small. So there would be almost no effect on the allocation of resources.

As for the fear of stolen trolleys, this is farcical for airports. A trolley cannot be put in a waiting car or taxi without anyone noticing. Even at railway stations most illicitly taken trolleys go to nearby hotels - whence they would be brought back by departing passengers for the same reasons of convenience, if the rail authorities did not criminalise the activity.

The main reason why the issue is one of public policy is that airports and mainline rail terminals have a local monopoly, whether privatised or not. Supermarkets, where the danger of theft is less risible, can be left to make their own decisions, although even here bodies such as the Consumers' Association need to ventilate the issue, and make sure that customers are fully informed of where shopping remains easy. But where monopoly applies, the regulatory body needs to say: "No, No, No."

Retirement home feud

THE US Supreme Court now has one lady aboard and may soon get another, but it remains a brotherhood at heart. And as even in the most closely knit fraternities all is often not sweetness and harmony.

Take Justice Byron White's announcement on Friday that he was resigning after 31 years. The instant suspicion was that he had pre-empted one or two other justices contemplating retirement so as to lay claim to the fine suite of offices in the existing Court building vacated by the death earlier this year of former Justice Thurgood Marshall.

Retired justices are entitled to offices in the Court itself where four suites are reserved for this purpose. However Chief Justice William Rehnquist has been trying to persuade ex-justices to move down the road to the new Thurgood Marshall building in the revamped Union Station complex.

The problem is that the three living former justices - Warren Burger, Lewis Powell and William Brennan - have refused to budge from their quarters. They say they were appointed for life to "this building".

Rehnquist, a conservative, is thought to be particularly disturbed by the influence exerted by Brennan, 84, a powerful liberal

intellectual, over Justice David Souter, appointed by President Bush to fly the conservative flag but proving to be distinctly moderate in many of his judgments.

Justice White has said he would "likely" move to the new quarters. But this is exactly what Brennan, who has a great sense of mischief, said he would do when the Chief Justice first mooted the idea and Messrs White and Brennan are great friends, though not ideological soulmates.

If he does go, then it is a fair bet that Harry Blackmun or John Paul Stevens, the liberal pair reckoned the next likely to retire, will not be so accommodating. Rehnquist may end up having to move to Union Station himself in order to distance himself from his liberal ex-brethren.

Lost tribe returns

Why should the Conservative members of the European Parliament give up their offices on the third floor of the European Parliament's London outpost in Queen Anne's Gate and move into the Tory party's Smith Square headquarters?

The official line is that it is all to do with winning next year's European elections. "We want to have an integrated election fighting machine," says Tim Collins, the Tory party's exceptionally young director of communications. Maybe so. But the suspicion

OBSERVER



There's jobs galore down at the P45 factory?

remains that the party's forgotten tribe of MEPs has been ordered in to the expensively refurbished Tory party HQ to help rebuild the overheads. Unlike Queen Anne's Gate, the Smith Square accommodation will not be provided rent free.

Fortunately, the financing of the Conservatives in Europe is on a much sounder footing than that of the Conservatives in Britain.

Fare recompense

It's not only the big shots who have been brought to book by Japan's anti-crime drive. Brief fame has just been won by a run of the

mill commuter, identified only as a 39-year-old office worker from Tokyo, who achieved a national record for rail ticket fraud.

For five years he travelled back and forth flashing an out-of-date rail pass, successfully trusting to the ticket collectors' inability to imagine that a worker warrior would ever do anything so uncharacteristically Japanese. When he finally challenged him, however, he made a full confession and has agreed to make reparation to Japan Railways as well as paying a fine. In all, it is costing him about £80,000.

Thinking chaps

Britain's think-tank industry, like the rest of the country, has not escaped the recession. Money has been tight. Big ideas have been in short supply, and existing output has been hit by theoretical disputes. Hence, this week's launch of Demos, the first new think-tank of 1993, is a welcome event.

At first sight it might look like a *Marxism Today* conspiracy. After all Demos' chairman is Martin Jacques, 47, a former editor of the magazine and once described as the most prominent British communist of his generation. Director Geoff Mulgan, 30, is an old buddy of Jacques' and there are plenty of old *Marxism Today* buffs on the advisory council.

However, the presence of successful business folk like Courtaulds Textiles' Martin Taylor,

Northern Foods' Chris Haskins, and Dennis Stevenson, who is chairman of the Tate Gallery and a member of the City Takeover Panel, suggests that it is not going to be dominated by the loony left or the nutty right. Its membership comes from a surprisingly broad church.

That said, its list of aims is a bit long-winded. Any think tank which cannot sum up its purpose in one sentence is going to find it hard to get its message across.

Fishy method

Hearing the dreadful stories of how interfering French fishermen are revolting with British fish exports, Observer wonders whether exporters can beat the French at their own game by using poison distribution to calculate the exact probability of further interruptions.

If the average destruction rate is 10 crates of cod per hour, applying the poisson gives an 11 per cent probability of 8 crates being destroyed in any one hour and a 7.5 per cent chance of a 15 to 30 minute delay between onslaughts.

Superfluous

Who said that business is not picking up? Among the contracts put out to tender in the latest supplement to the Official Journal of the European Communities is one from the City of Newcastle seeking a delivery of coal...

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Monday March 22 1993

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Battle continues in spite of 20% foreign share of Japanese market US-Japan chip trade still tense

By Louise Kehoe in Kona, Hawaii

THE battle between the US and Japan over semiconductor trade is not over yet, in spite of the surprise announcement on Friday that the long-sought US target of a 20 per cent foreign share of the \$20bn Japanese semiconductor market had finally been achieved.

The US is now pressing Japan for continued improvement in foreign access to its semiconductor market by maintaining an average 20 per cent foreign market share over the next 12 months.

Japanese officials said, however, that they would "reject out of hand" any suggestions for further quantitative measures of market access.

As trade officials and industry representatives from both countries gathered in Hawaii for semiconductor trade talks that began yesterday, it was evident that

sharp differences remained which could have important implications for US-Japanese trade relations in this and other sectors.

Officials from both countries were surprised by Friday's announcement that the foreign share of the Japanese microchip market was 20.2 per cent in the fourth quarter of 1992, a 4.3 percentage point jump from the previous quarter. Previously, the critical market share number had never risen by more than 1.3 percentage points in a single quarter.

Although the market share rise alleviated trade tension, it also raised new questions about the use of market share as a quantifiable indicator of market access.

Japan has always vigorously denied that the semiconductor agreement reached in 1986 guaranteed foreign chip manufacturers a fifth of the Japanese market.

The Japanese government's resolve to resist further use of market share data has been hardened by US suggestions that a similar approach might be applied in other sectors now that it has proven successful in semiconductors.

"We need to evaluate [market share targets] to see if they may bear fruit in other sectors too," Mr Mickey Kantor, the US trade representative, said last week.

Other market-opening agreements, such as last year's public sector computer procurement agreement, which did not include quantifiable measures of market access, have shown few results.

A closer examination of the Japanese semiconductor market suggests, however, that the sharp increase in foreign market share in the fourth quarter was influenced more by economic conditions in Japan than by rising foreign semiconductor sales. Foreign sales increased significantly, but the size of the Japanese semiconductor market declined drastically, US officials acknowledge.

This demonstrates the futility of using market share numbers to measure market access, Japanese industry officials argue, because the size of the market is beyond the control of the government of a free market economy.

They also maintain that fluctuations in exchange rates make the market share numbers poor indicators of market access.

US chipmakers believe they are in a strong position to benefit from any upturn in the Japanese economy, because they now lead the world in several of the highest growth segments of the semiconductor market and are outspending Japanese competitors on new semiconductor plants. Another factor is the increase in "design-in," in which US-made chips are designed into new Japanese electronics products.



Monks from Mont de Cate abbey, Godewaarsvelde, north-eastern France, casting their votes yesterday

Rightwing landslide

Continued from Page 1

more years of his seven-year presidential term to run, and few supporters of the UPR coalition believe he will quit early. But Mr Juppé said "the rejection of President Mitterrand is very deep," and he warned that "we (the right) will apply our programme with aggression but without concession" to the president.

Early computer predictions gave the Socialists the possibility of winning less than 60 seats on some 19 per cent of the vote, and only perhaps 70 seats if ecologist voters switched their support to the Socialists in the second round. Mr Fabius said "the left risks being crushed in parliament." He attributed this crushing defeat to "the wear and tear of time, unemployment, and disappointment".

THE LEX COLUMN

French test

The foreign exchange market always promised itself some sport around the French election. It seems reluctant to forgo the opportunity even though the result should not make a great deal of difference to policy. In opposition the right was committed to a strong franc. Only after the second round next week will the final shape of the new government be known and the real test of that conviction begin. In the meantime there is little chance of the outgoing administration giving way. To desert the FRM as one of its last actions in office would be to drink from the poisoned chalice. It would surely rather hand it on.

Nonetheless it may now require a vicious squeeze on short-term rates to discourage speculators from selling the franc short. Its vulnerability is clear. The new government may want to establish its European credentials, but it also has to tackle unemployment - and that requires much lower interest rates. An agreement on closer monetary co-operation with Germany might help but it is difficult to conceive of one that will convince the markets without infringing national sovereignty. The guild's special relationship with the D-Mark is purely voluntary. It works because the guild is a small currency that can be easily manipulated and has a stronger track record than even the franc.

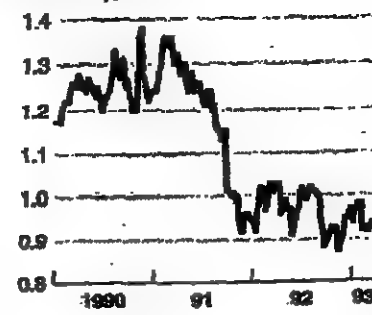
If the new government proves its determination, short-term rates might fall quite quickly to the German level. But real rates would even then be positive by an unsustainable 6 per cent. French exchange rate policy would be much more plausible if the Bundesbank helped by cutting rates more quickly. So far it has been too grudging for comfort. The repurchase rate it sets this week will matter more to the future of the FRM than the poll result in France.

Infrastructure funding

Last week's Budget may have signalled a real revolution in the private funding of infrastructure projects. Mr Norman Lamont's comments certainly showed a renewed enthusiasm for the concept. The cynical view is that this will only lead to a re-run of the frustration - and largely futile - debate following the Rylee rules of the early 1980s. But there are certainly greater grounds for optimism this time round. The most important factor is the significant shift in Treasury thinking contained in its guidance for joint venture infrastructure projects. In the

Food retailers

Sector p/e ratio relative to FT-A 500 p/e ratio



past, the Treasury has balked at investing public money in projects and simply transferring the rewards to the private sector. But it now appears prepared to do so if it is accompanied by a complete transformation of risk. Any continuing government involvement must be coupled with a real fear of bankruptcy.

Government money is clearly needed at the start of infrastructure projects when the risks are primarily political. Further subsidies may be needed in the course of construction. But, if the government is not to bear any residual risk, the private sector must at some stage assume full responsibility for its completion. As long as the Treasury and the private sector can draw that line in an appropriate place, there is now a chance of mixed infrastructure projects working.

UK insurance

Mr Lamont also held out a little noticed but juicy carrot for the UK insurance industry. Insurers have long argued for the right to set aside tax-deductible general reserves against unspecified future losses. The Budget gave them cause for celebration by promising a consultation paper on the issue. Swings in profits caused by natural catastrophes could be ironed out by such equalisation reserves. European insurers enjoy a competitive advantage in the London insurance market by being allowed to create them.

Yet there is plenty of scope for disappointment in the fine print. Equalisation reserves would be of little value if they were restricted to minor classes of business. The big

gains would flow from reserves against future losses on property and household accounts. Only then would shareholders funds be protected from hurricanes or deep recessions. If the government and the Inland Revenue are prepared to go that far, insurance companies may be more inclined to maintain dividends through the cycle and the sector would be a less volatile investment.

The industry will still have to argue its case. Smoothing profits goes against the grain of recent UK accounting reforms. The continental practice of setting up general reserves discourages transparency. Insurance companies which are free to reserve to the hilt on the upswing may also be tempted to write bad business in difficult markets. Far from smoothing the insurance cycle, equalisation reserves would then only add to the problem.

Food retailing

The UK food retailing industry is in a transitional phase. The sector's shares are too. Fundamentals suggest grocery stocks remain undervalued. But such considerations have been swamped this year by a surge of adverse sentiment. There may be relief that the chancellor has - at least temporarily - refrained from extending VAT to all food products. Yet other fears have gnawed away valuations.

The hoary old saturation debate has raised its head again. The discount sector seems set to flourish. The promised US-style warehouse clubs may not instantly see huge slices of market share changing hands but they will create a new price floor. Food volumes have fallen to their lowest level for more than a decade and will only recover slowly. The restrained spending seems not so much a factor of consumer confidence but cash: high unemployment rates and low earnings growth mean there is limited money in shoppers' purses.

Despite such worries, the big grocers will record some solid earnings gains this year thanks to their prodigious opening programmes. Icosceles' continuing misfortunes will provide opportunities for cannibalistic growth. The devaluation effect will eventually feed through to prices, perhaps this summer. By then, recovery should have firmly taken root. In such uncertain times the market believes that - apart from special situations like Asda - it is wise to stick with quality stocks, such as Sainsbury and Waitrose. It is difficult to disagree.

Scandal claims fourth minister

By Heig Simonian in Milan

MR GIANNI FONTANA, Italy's agriculture minister, last night became the fourth minister to resign in little more than a month as a result of the growing political corruption scandal.

The move represents a further serious blow to the fragile eight-month-old government of Mr Giuliano Amato, prime minister. In recent weeks, Mr Amato has had to contend with the forced departures of senior members of the coalition and growing difficulties passing legislation in parliament.

Mr Fontana, a Christian Democrat, stepped down after being told by magistrates in the northern city of Verona he could face prosecution on allegations of abusing laws on financing political parties and illegally receiving funds.

Yesterday, magistrates

sought Mr Fontana's house in the city and holiday home on Lake Garda as part of continuing inquiries into a string of allegations of political corruption in Verona which have already involved a number of local politicians.

Mr Fontana's resignation follows that of the Socialist Mr Claudio Martelli as justice minister and of Mr Giovanni Goria and Mr Francesco De Lorenzo, until recently finance and health ministers respectively. All three have been involved in investigations concerning alleged political corruption. In addition, Mr Carlo Ripa di Meana resigned as environment minister to mark his opposition to the government's attempt earlier this month to attenuate the growing scandal.

Separately in Naples, Mr Alfredo Vito, a local Christian Democrat MP advised by magistrates he could face prosecution

in Italy's political corruption scandal, has admitted to them that he collected billions of lire in bribes for local party leaders.

The admission could give southern magistrates investigating allegations of widespread political corruption their first big breakthrough in one of the electoral strongholds of Italy's largest political party.

Until now, the investigations, which began in Milan, have barely penetrated the political fabric of the Mezzogiorno, where the Christian Democrats and the Socialists, the two parties most implicated in the corruption scandal, draw much of their support.

Bribes and kickbacks to politicians "are present in every corner of society", Mr Vito said in weekend television interviews. "I was a part of this system." Threatening to take the lid off a decade of political corruption in

Naples, Mr Vito has resigned from the party and will step down as an MP. "I hope other colleagues under investigation will follow my example", he said.

The allegations against Mr Vito involve corruption and extortion. Last week a parliamentary committee backed the request by magistrates, investigating a job-for-votes scam, for Mr Vito's immunity to be waived. On Thursday, he offered to testify voluntarily.

The corruption investigations in Naples, Italy's third biggest city, have focused on alleged kickbacks paid by building contractors modernising the city's football stadium for the 1990 World Cup and bribes to the privatised municipal refuse collection company. Investigations are also under way over allegations of £2bn (\$1.3m) in bribes paid to local politicians for building an unfinished light train network.

US leads support

Continued from Page 1

days after visiting Washington last week.

However, Japan remains deeply sceptical about the economic case for a large-scale aid programme given the chaotic state of the Russian economy. Such doubts are shared by senior EC officials.

There were few dissenting voices in western capitals yesterday about in effect intervening in Russia's internal power struggle.

Members of both parties in the US Congress backed President Clinton's stance. Senator Bill Bradley, an influential Democrat, argued that Mr Yeltsin "seems to be saying that the problems of emerging democracy should be solved by more democracy". Senator Robert Dole, the Republican leader, said Mr Clinton should offer by moving his April 3 summit with the Russian leader from Vancouver to Moscow.

Row grows over UK budget plan to extend range of VAT

By Alison Smith in London

THE UK's Labour opposition yesterday stepped up its attack on the Conservative government as the row over the extension of value added tax to domestic fuel continued to overshadow other aspects of last week's budget.

Labour accused ministers of having "torn up" the commitments about extra help with domestic fuel bills which were made only two days after the budget.

As MPs prepare to vote on the budget resolutions tonight, Tory parliamentarians were offered little reassurance from ministers that all those about whom they are concerned will qualify for extra help when VAT at 8 per cent is levied on domestic fuel from April 1994.

In particular, there was a clear setback for those Conservative MPs still seeking a compensatory increase in the basic state pen-

sion, when this was effectively rejected by a Treasury minister.

Mr John Smith, the Labour leader, yesterday called the budget "a bonfire of John Major's election promises and Conservative party election pledges". Labour will target Tory MPs who serve on the committee to discuss the Finance Bill, contrasting their own election pledges with last week's announcement.

Interviewed on BBC television, Mr Norman Lamont, the chancellor, confined himself to offering help to "poorer" pensioners and families, likely to total about 10m people.

He explicitly ruled out doing so by exempting people in need from paying VAT on fuel bills, saying that such a course would be expensive, inappropriate and an "administrative nightmare".

The most sensitive point confronting the UK government in the affair was exposed more starkly by Mr Stephen Dorrell,

the Treasury financial secretary. Although Mr Andrew Bowden, the Tory chairman of the cross-party pensioners' group of MPs, last week urged extra help for pensioners who just fail to qualify for income-related benefits, Mr Dorrell appeared to rule out doing so through the basic state pension.

"If we want to help people on low incomes, and the government has made it clear that in the context of this VAT change we do want to help people on low incomes, then to take pensioners as a category would be to miss the target," he said.

Although some estimates have suggested up to £1bn (\$1.49bn) would be needed to compensate people in need fully for the VAT change, Mr Lamont refused to give a figure for the amount of extra help that would be provided from the reserve.

Doubts over coal policy, Page 6

World Weather

UK Today: Colder, with showers, turning cloudy later, over southern counties and the east Midlands. Elsewhere mainly cloudy with light rain. Generally cloudy with some heavy rain and blizzards in northern Scotland.

City	Temp	Wind	Cloud	City	Temp	Wind	Cloud
Algeria	15	SE	100	London	10	SE	100
Amman	18	SE	100	Madrid	12	SE	100
Amsterdam	10	SE	100	Moscow	5	SE	100
Athens	18	SE	100	New York	10	SE	100
Bahia	25	SE	100	Paris	12	SE	100
Bangkok	28	SE	100	Rome	15	SE	100
Bombay	28	SE	100	Stockholm	8	SE	100
Buenos Aires	18	SE	100	Tokyo	12	SE	100
Calcutta	28	SE	100	Winnipeg	5	SE	100
Cairo	25	SE	100	Zurich	10	SE	100
Cardiff	10	SE	100				
Chennai	28	SE	100				
Columbo	28	SE	100				
Dakar	25	SE	100				
Dhaka	28	SE	100				
Dublin	10	SE	100				
Harare	25	SE	100				
Hong Kong	25	SE	100				
Jakarta	28	SE	100				
Johannesburg	25	SE	100				
Kuala Lumpur	28	SE	100				
Laos	28	SE	100				
Leeds	10	SE	100				
Lima	18	SE	100				
Liverpool	10	SE	100				
Luanda	25	SE	100				
Lyons	12	SE	100				
Manila	28	SE	100				
Mumbai	28	SE	100				
Nairobi	25	SE	100				
San Francisco	12	SE	100				
Singapore	28	SE	100				
Sofia	10	SE	100				
Taipei	25	SE	100				
Tel Aviv	20	SE	100				
Tientsin	10	SE	100				
Yokohama	12	SE	100				

Temperatures at midday yesterday. Wind GMT time. Cloud - 0-100%.

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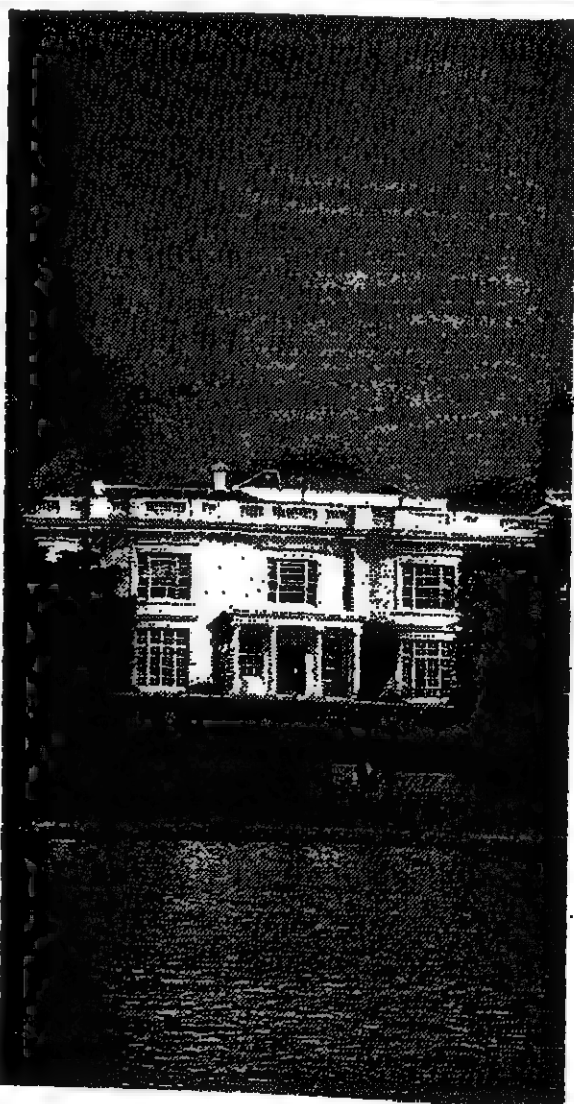
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INSIDE

Fila sidesteps home market listing

Fila, the Italian sportswear group, is shun the domestic stock market and float its shares directly in New York. The decision to bypass Milan and list in New York reflects Fila's growth in the US market, where sales of its sports shoes have risen sharply to put it in third place behind Nike and Reebok. Page 14

Warning to investors

Investment in the US stock market over the next 10 years will not be so lucrative as in the previous decade, according to Mr Warren Buffett (left), the celebrated investment guru. He also cautions the avoidance of new share issues, arguing that "an intelligent investor will do better in the secondary market". Page 14

Barclays reviews lending

Barclays, the UK's biggest bank, is making senior executives personally responsible for their mistakes when making big corporate loans, following the £240m (\$357m) losses which it made on £422m of loans to Imry, the troubled property group. Page 14

Billionaire in thankless task

A billionaire businessman has taken up a thankless job with one of the shortest life expectancies in the world. Raik Al-Hariri, the prime minister of Lebanon, has set himself the task of rebuilding his war-ravaged country as the financial and trading capital of the Middle East. Page 14

Tobacco and the great outdoors

Austria's Tabakwerke, the state-owned tobacco monopoly, is understood to have agreed in principle to buy the Head sports equipment group for about \$200m. Annual sales of Head's skis, ski boots and bindings, tennis rackets and shoes and diving equipment are about \$400m. Tabakwerke, like other tobacco companies, has been seeking to diversify away from tobacco. Page 14

Blueprint for US futures

A proposed change in US regulations could put the US futures market on a more even footing with the over-the-counter swaps market, at a time when competition between the two markets is intensifying. Page 15

Market Statistics

30 day ending 21/3	23	London share index	23-28
FTSE 100	23	Managed fund service	19-22
FTSE 100	23	Money market	22
FTSE 100	23	New int bond issues	18
Foreign exchange	23	New int bond issues	18
London foreign issues	23	World stock index	18

Companies in this issue

Austria Tabakwerke	14	Imry	14
Bellco	14	Imry	14
Barclays	14	Imry	14
Celast	14	Imry	14
Charnell Holdings	14	Imry	14
Clark (Gib)	14	Imry	14
Coder	14	Imry	14
Continental	14	Imry	14
Fincham Group	14	Imry	14
Fila	14	Imry	14
GPA	14	Imry	14
Head	14	Imry	14

Pirelli close to truce with Continental

By Robert Peston in London and Haig Simonian in Milan
PIRELLI, the Italian tyre company, is close to ceasing hostilities against Continental, after a two and a half year campaign to gain control of its German rival. The Italian company last week agreed in principle to sell its 5 per cent stake in Continental and also to cancel arrangements with corporate allies who control a further 25 per cent. According to a senior executive involved in negotiations between

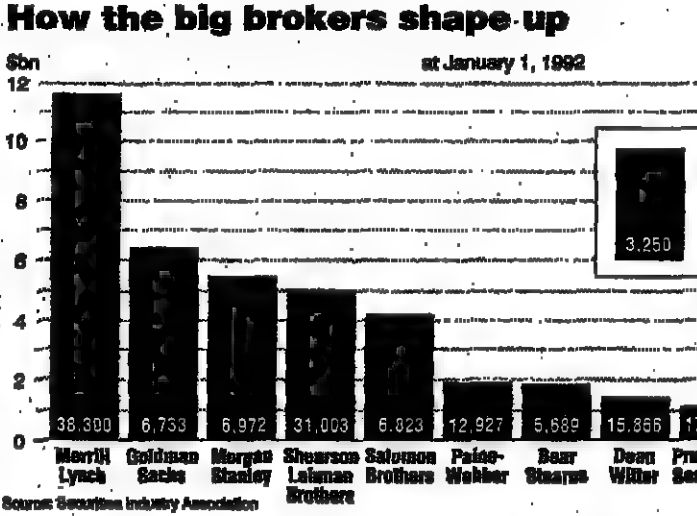
Pirelli and Continental, attempts are being made to place this combined holding of 30 per cent in Continental with institutional investors. However, the executive stressed that the share sale was not certain, because Pirelli has insisted that the disposal must be made at a premium of around 10 per cent to the market price. Under the terms of the share sale agreement, if buyers cannot be found for the entire 30 per cent, none of the shares will be sold. Continental's share price was DM208.5 last week, valuing the company at DM1.83bn (\$1.12bn).

Continental is being advised by Deutsche Bank, Germany's biggest bank, and Morgan Grenfell, Deutsche's UK merchant banking subsidiary. Morgan and Deutsche's securities arm are leading the process of finding buyers for the shares. Pirelli has in the past claimed to control more than 40 per cent of Continental shares. It has options giving it the right to buy 30 per cent from allies. In addition, Pirelli also believed that two other holders of Continental shares, controlling 10 per cent, were supporters. However, Continental believes that a placing of only 30 per cent would end hostilities between the two companies. Pirelli has made huge losses as a result of its raid on Continental. It and its allies bought their shares when they were priced at more than DM300. The Italian company's original intention was to force Continental to buy its tyre subsidiary, to create Europe's biggest tyre manufacturer. Continental rejected the merger plan on advice from Morgan.

Patrick Harverson reports on the process that created Smith Barney Shearson

Brokers on Wall Street bow to a trend

The merger between Smith Barney, the brokerage subsidiary of financial services group Prudential, and the former Shearson brokerage operations of American Express, has created a formidable new force in the US retail brokerage industry. Last week's deal, in which Prudential bought Shearson for \$1bn, underlines a trend towards consolidation evident on Wall Street since the early 1980s, but which now may be coming to a close. As one chairman of a leading Wall Street house said of the merger: "This is the culmination of a process that has been going on since the early 1980s - one more step in the rationalisation of the securities business." Some 10 or 12 years ago the early phase of consolidation was either about building fully integrated securities houses that could prosper in both the retail and wholesale markets, or creating "financial supermarkets" by bringing securities firms and providers of related services under the umbrella of huge diversified corporations. Only one large firm, however, succeeded in becoming a big, fully integrated securities house, and that was Merrill Lynch (although on a smaller scale, PaineWebber has built a modest presence in investment banking to go with its retail strengths). And none of the attempts to create financial supermarkets - notably American Express with Shearson Lehman Brothers, and Sears Roebuck with Dean Witter - succeeded. It is clear the big corporations that build financial supermarkets paid too much for



interested in building an integrated securities house. Instead, the new firm will concentrate on what Smith Barney and Shearson did best when they were independent - selling stocks to the investing public. In terms of size, Smith Barney Shearson is not far behind Merrill Lynch. The new company will have 11,000 brokers, 495 branches, and mutual fund assets under management of \$62bn. Merrill has 11,500 brokers, 458 branches and \$117bn under management. The gap between the two is likely to widen, however, because Mr. Well will have to cut fat from the new operation. While Smith Barney, under the careful eye of Mr. Well, was generally regarded as trim and efficient, Shearson's cost base had become bloated. In particular, employee compensation was rising faster than productivity. The most common criticism analysts have aimed at the firm has been that Shearson was paying too many people too much money. Mr. Perrin Long, securities industry analyst at First of Michigan, estimates that between 2,000 and 4,000 people could go at the new company, and not all from the cost-laden Shearson. It is too early to tell how much savings can be wrung from the

Telegraph directors to decide on Southam stake

By Roland Rudd
MR CONRAD Black, chairman of Hollinger Group and The Telegraph, yesterday said he was confident that independent directors of the UK newspaper group would not change their recommendation to buy a stake in Canada's Southam newspaper group. The Telegraph's board will meet on Thursday following news that Power Corporation, the Canadian newspaper group, is buying shares in Southam more cheaply than the UK newspaper group. Some of the Telegraph's independent directors are concerned that Mr Black agreed to Southam's offer of 15m shares to Power at a price of C\$14 each, days after they recommended that the Telegraph should pay C\$18.10 a share for half of Hollinger's 22.5 per cent stake. Mr Black said he understood the "sensitivity" surrounding the sale. However, he said that without Power's involvement he could not have "emasculated the so-called poison pill" which effectively prevented Hollinger from increasing its stake above 23.5 per cent in Southam without making a full bid. Power and Hollinger will now be able to take their combined shareholding up to 47 per cent and to any percentage after two years. Mr Black said Power and Hollinger were "longstanding corporate friends and on occasion allies". Mr Black believes the poison pill arrangements could have curtailed Hollinger's and The Telegraph's ability to be a constructive influence at Southam. "Somebody had to break the ice," said Mr Black. After Thursday's board meeting, Mr Black said, the merchant bank which handled The Telegraph's flotation last summer, will write to shareholders explaining the background to Power's involvement. The Telegraph has rescheduled the extraordinary general meeting, at which shareholders will vote on the purchase, from March 30 to April 5. Lord Swaythling, an independent director, said: "The Telegraph's purchase of Southam's shares was an excellent deal at the time Hollinger asked us to participate and it is no less of a good deal since Southam's share price fell on news of its results which enabled Power Corporation to pay less for its shares." Letter, Page 12

A high price to pay for high wages in the east

A week ago, German politicians were jubilant about agreeing on a solidarity pact aimed at financing the economic reconstruction of eastern Germany. But a seeming wage dispute in eastern Germany is dampening the euphoria. IG Metall, Germany's giant engineering trade union, is threatening a strike if its members in the five eastern German states do not receive a 26 per cent pay increase beginning on April 1.

many's gross domestic product will total DM201bn (\$123bn), while the wage bill will exceed DM248bn. In western Germany, GDP for this year is estimated to be DM202.5bn, and wages around DM1.555bn. Gesamtmetall has realised its error and is now trying to pull out of the contract, invoking a revision clause giving it the right to do so in view of the deteriorating economic conditions in eastern Germany. It is prepared to offer a 9 per cent increase. IG Metall is now threatening to call an all-out strike on April 1 and has already staged a series of warning strikes throughout the region. Mr Reiner Flassbeck, a

Economics Notebook

By Judy Dempsey in Berlin

senior economist at DIW, the German Institute for Economic Research in Berlin, says that the chance of the emergence of a strong, and vibrant middle-class, and small and medium-sized companies which formed the backbone of the western German economy, is unlikely to prosper if unit labour costs continue to rise. A report published by the DIW shows that in a survey of 8,200 privatised eastern German enterprises, 60 per cent have serious competitive problems. Many are not generating profits largely because, as the graph shows, in eastern Germany there is hardly any gap between the labour costs and productivity per hour. This means that existing enterprises are not in a position to invest, let alone think of

Kuwait may cut back independence of KIO

By Peter Bruce in Madrid
THE Kuwaiti government met yesterday to discuss proposals to merge the London-based Kuwait Investment Office (KIO) with its parent institution in Kuwait, the Kuwait Investment Authority (KIA). Mr Abdullah al-Rhodan, the finance minister, has nominated the KIO president, Mr Ali Rashid al-Badr, to become chief of both organisations and centralise decision-making in Kuwait. The proposal, if successful, could reduce the independence of the KIO and undermine the positions of many of its non-Kuwaiti investment staff. The KIO is already considering making redundancies at its London headquarters. The KIO's \$60bn investment portfolio was cut to less than \$20bn by the costs of the Gulf War. Analysts believe the efforts to merge the KIO into the KIA is a direct attack on the power of the Kuwaiti prime minister and Crown Prince, Sa'ad al-Sabah. A public campaign run by the new management of the KIO has convinced Kuwaitis that former KIO managers lost or mismanaged up to \$50n in Spain. Although the scandal has strengthened critics of the Crown Prince, it is not clear how quickly Mr al-Rhodan could push through his proposals. Mr Abdullah al-Gabandi, managing director of the KIA and protégé of the Crown Prince, is understood to have still two years of his term to run.

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Westdeutsche Landesbank Girozentrale
Yamaichi International (Europe) Limited

March 1993

COMPANIES AND FINANCE

Barclays new loan procedures

By Robert Peston and Vanessa Houlder

BARCLAYS, the UK's biggest bank, is making senior executives personally responsible for their mistakes when making big corporate loans, following the £240m losses which it made on £420m of loans to Imry, the troubled property group.

The change in lending procedures emerged as Chester Holdings, Imry's parent company, disclosed that it had a deficit on shareholders' funds of £357.6m on March 31 1992.

These losses were in part absorbed by holders of Chester's subordinated loan stock totalling £16m. However, Barclays was forced to write off £197m from its loans to the group and has made additional provisions to cover possible

further losses. Accounts filed at companies house also show that Chester made a pre-tax loss of £106m last year and an after-tax loss of £158m.

Barclays exposure to Imry stems from its 1989 loan of £214m to Marketchief, a financial vehicle which acquired Imry in a leveraged buy-out.

The loan was intended as a bridging facility. However, Marketchief was unable to pay it off as quickly as hoped, so in the middle of 1991 Barclays decided to put in place a longer term facility.

A banker said yesterday that the security given on the original loan was inadequate. Barclays wanted to secure an improved charge over Imry's assets when making the new longer term loan, but was pre-

vented by the terms of a £175m "club" loan from a group of banks to a separate Imry arm, called Imry Merchant Developers.

Barclays decided it was vital to take an improved charge over the assets, so it took the unusual step of lending a further £195m to pay off the £175m club loan. The club was led by Bank of Scotland, Barclays, Hill Samuel, National Westminster, Bankers Trust, Citibank and Midland, each of which provided £18.5m.

A club member yesterday described Barclays actions as providing "manna from heaven". The club, whose agent was Citicorp, was in a powerful position when negotiating with Barclays because a condition of the club loan was that it became immediately repayable if there was a

change of control of Imry - and the financial reconstruction of Marketchief amounted to a change of control.

A banker said that Barclays has subsequently punished executives involved in the original Marketchief loan. However, he added that assigning responsibility for the Imry mistakes was difficult, because at least ten executives had been involved in the lending decision, including three directors whose rank was just below that of the main board.

So Barclays has now instituted a new system for approving big corporate loans. No matter how many Barclays employees are involved in the process of making a loan, there will always be one senior executive who takes personal responsibility for the loan.

Bitter meeting for Clark on bids

By Peggy Hollinger

THE BOARD OF C&J Clark the family held shoe manufacturer, faces a potentially acrimonious meeting today as it attempts to decide which of three bids for the company it will recommend.

Berisford, the commodity and property group, tabled its formal offer on Friday, thought to value Clark's at about £160m. It is believed to be an all-share offer, underwritten for cash.

The bid is conditional on approval from a majority of the nine-strong board and the grant of exclusive due diligence rights to Berisford.

Fila is believed to be offering a similar deal, which values Clark's at about £140m.

Finally, an investment consortium comprising existing institutional shareholders and backed by Electra Investment Trust, is thought to have offered about £2 a share, or £184m.

A member of the Clark family, which owns or controls 80 per cent of the company, said he was opposed to the planned sale. It is believed that a group of family members is seeking to co-ordinate opposition to the sale at the AGM later this month.

"My concern is that it (a sale) is being presented as something which has been agreed by the company - which it has not," he said.

The extraordinary general meeting in October had agreed only to determine the best price for Clark's, following a bid approach backed by Electra. The board had also promised to investigate options for shareholders who wanted to sell their shares.

The disaffected shareholder said that an outright sale of Clark's had "very little to do with the interests of the company."

"Furthermore, he added, "the current prices being talked about are terribly low." Even if the family wanted to dispose of the company, he said, "it seems a crazy time to sell."

At least 40 per cent of the family shareholders are thought to oppose the sale of Clark's. Four members of the nine-strong board - who are also of the Clark family and sought to unseat the chairman and a director last year - are likely to object to the sale. At least two of the bidders have indicated that some or all of the management at Clark's would remain.

Irish Govt may come to the aid of GPA

By Tim Cooney in Dublin

The Irish government is considering helping GPA, the financially-troubled aircraft leasing group, by taking a stake in the company worth around £100m-£150m.

GPA has to find buyers for a £200m convertible share issue by this time next month to ensure its continued survival.

According to reliable business and government sources in Dublin, talks are underway between GPA and the Shannon Development Authority, a regional development agency in the west of Ireland, where the GPA headquarters is based, to buy an equity stake in the company.

It is thought that the development agency is considering buying up to 10 per cent of the new share issue.

A spokesman for GPA said yesterday "There are a lot of negotiations going on with existing shareholders and potential new investors."

GPA has some \$5.5bn in debts and has been in difficulties since its aborted flotation last June.

Austria Tabak poised to buy Head sports group

By Ian Rodger in Zurich

AUSTRIA Tabakwerke, the state-owned tobacco monopoly, is understood to have agreed in principle to buy the Head sports equipment group for about £200m.

The monopoly, like other tobacco companies, has been seeking to diversify away from its dependence on tobacco, partly because of health concerns.

Tabakwerke will also have to give up its monopoly position as a result of Austria joining the European Economic Area (EEA), the enlarged free-trade area being created this year by the countries of the European

Community and most of those in the European Free Trade Association.

Head is a leading international sports equipment group that specialises in making skis, ski boots and bindings, tennis rackets and shoes and diving equipment. Annual sales are about \$400m.

The group was the subject of a leveraged buyout in early 1989, which was arranged by the Los Angeles merchant banking group Freeman Spogli and financed largely by Sumitomo Bank of Japan and Creditanstalt of Austria.

The shareholder group was led by Lowe Finance of Geneva.

The terms of that deal provided for roughly \$265m of debt to be supported by only \$50m in equity.

It is understood that while Head has performed well, the leverage in the capital structure has proven too great.

The desire of Sumitomo Bank to reduce its international lending exposure also contributed to the decision by the shareholders to sell.

Austria Tabakwerke said it could not confirm that it was purchasing Head.

"We are in the midst of discussions with various parties and nothing has been settled yet," a spokesman said.

Fila plans flotation on NYSE

By Haig Simonian in Milan

FILA, the Italian sportswear group indirectly controlled by Fiat, is set to become the second Italian company to shut the domestic stock market and float shares directly in New York.

The company is negotiating with US regulators and bankers for a flotation on the New York Stock Exchange, following a path beaten in 1990 by Luxottica, the spectacle frames group.

The decision to by-pass Milan and list in New York reflects Fila's growing penetration of the US market, where sales of its sports shoes have risen sharply to put it in third

place behind Nike and Reebok, and ahead of Adidas.

The company, which was in poor financial health as recently as the mid-1980s, has made a remarkable recovery. Operating profits rose by 134 per cent to L75bn (\$47.5m) last year, while sales reached L500.2bn, up from L371bn in 1991. Turnover of the group, based in Biella in northern Italy, is forecast to grow to over L660bn this year.

Fila was controlled by Fiat's Sna-BPD textiles and chemicals subsidiary until 1988, when Sna-BPD sold for L62bn its 90 per cent stake to Gemina, in which Fiat is the major shareholder. The remaining shares were acquired from pri-

vate shareholders. Gemina is an investment and financial services group controlled by leading north Italian business families and dominated by Fiat.

Much of Fila's recent growth has stemmed from its expansion into sports shoes, which last year accounted for more than 60 per cent of sales. In Europe, the company is still better known for its up-market sports and ski apparel.

The Fila flotation may be swiftly followed by that of Natuzzi, a south Italian furniture maker, in which Gemina has a 20 per cent stake. The company is Italy's biggest maker of high-quality leather furnishings.

Buffett predicts lower returns from US stock market over next decade

By Martin Dickson in New York

INVESTMENT in the US stock market over the next 10 years will not be so lucrative as in the previous decade, according to Mr Warren Buffett, one of the nation's most celebrated investment gurus.

Mr Buffett, chairman of the Omaha-based investment group Berkshire Hathaway, says in his annual letter to shareholders: "The return over the next decade from an investment in the Standard & Poor's Index will be far less than that of the last decade."

He says the reason is that increases in stock prices have for a long time been ahead of growth in corporate earnings.

"It is clear that stocks cannot forever out-perform their underlying businesses, as they have so dramatically for some time, and that fact makes us quite confident of our forecast that the rewards from investing over the next decade will be significantly smaller than they were in the last."

Mr Buffett's folksy letter repeats some of his investing precepts, including sticking to businesses "we believe we understand. That means they must be relatively simple and stable in character. If a business is complex or subject to



Warren Buffett says investors should avoid new share issues constant change, we're not smart enough to predict future cash-flows."

He also advises avoiding new share issues, arguing that "an intelligent investor will do better in the secondary market."

The new-issue market, according to Mr Buffett, "is ruled by controlling stockholders and corporations, who can usually select the timing of the offerings or, if the market looks unfavourable, can avoid an offering altogether."

"Understandably, these sellers are not going to offer any bargains."

Italian telecoms group profits steady at L133bn

By Haig Simonian

ITALTEL, the Italian state-controlled telecommunications equipment group, reported virtually unchanged net profits of L133.2bn (\$8.4m) against L132.5bn the previous year.

Earnings would have been higher but for a substantial increase in tax to L128.5bn from L101.3bn in 1991 and a sharp rise in one-off payments for early retirement, which reached L61.5bn against L37.8bn in 1991. Sales rose 7.7 per cent to L2,973.4bn, undiminished by a 6.4 per cent fall in

average prices as part of cuts in the cost of Italian telecommunications equipment.

Considerable uncertainty still surrounds the future industrial strategy of Italtel, which is controlled by the State telecommunications holding company.

Although AT&T, the big US telecoms group, retains a 20 per cent stake, Stet is known to be in talks with several multinational telecoms groups over the possibility of buying shares in Italtel, in an attempt to achieve economies of scale and widen access to technology.

Codan in talks with Baltica

By Hilary Barnes in Copenhagen

CODAN, the Danish insurer controlled by Sun Alliance of the UK, is understood to be in discussion with Baltica, the country's biggest insurer, for the acquisition of all or part of Baltica's insurance operations.

Shares in Baltica Holding and Baltica Insurance were suspended on Friday, when the board said that new negotiations for a long-term solution to the group's financial situation were taking place.

It is understood that the acquisition by Codan is one of the options under consideration. Analysts estimate the price for Baltica's insurance operations at between DKr6bn and DKr10bn (\$1.6bn).

Baltica acquired a DKr3.5bn tax-loss deduction when it bought the former state-controlled life assurance and pension group Statsanstalt (subsequently renamed Danica) from the government three years ago. Large losses, however, have prevented Baltica from making use of the tax-loss deduction, which could be of interest to Codan, the most profitable of the larger Danish insurers.

The major shareholders in Baltica Holding are France's Suez group, the Danish ATP national pension fund, the mutual fire insurer Kobstadesernes Almindelige Brandforsikring, and Hafnia, Baltica's domestic rival which suspended payments last August.

Celsius posts 7% rise to Skr545m

CELSIUS, the Swedish state-owned defence group now being privatised, increased 1992 profits by 7 per cent to Skr545m (\$7.1m) from Skr507m, writes Christopher Brown-Humes in Stockholm. The group said its order book at year-end totalled Skr19.5bn, Skr1bn more than at the end of 1991. Its recent purchase of Nobel Industries' defence electronics activities has increased this total to Skr26bn.

Spring Ram chairman under pressure

By Roland Fidd

MR BILL ROONEY, chairman and chief executive of Spring Ram, the kitchens and bathrooms company, is under pressure to relinquish one of his two posts.

Some institutional shareholders believe Mr Rooney must take some of the blame for the recent surprise profits warning.

A financier close to the group said: "There is a question mark over Mr Rooney's role."

"I think it will be very difficult for him to stay as chairman and chief executive."

The company's directors, and advisers NM Rothschild and Panmure Gordon, have made it clear that they will be listening to what shareholders have to say at today's presentation of its results.

Last week the company said the 1992 pre-tax figure would be not less than £26m, down from a restated £36.2m in 1991. Analysts had predicted £37m to £40m.

The directors will decide shortly after today's meeting whether to seek a replacement for Mr Stuart Greenwood, finance director, and the company's auditors, Arthur Andersen.

A number of big shareholders have already told the company that Mr Greenwood's position has become untenable.

One said: "It is not just that pre-tax profits will be far less than we thought. We are talking about a serious breakdown in communications

between the company and its shareholders, which has happened once too often."

Spring Ram's profit warning followed haggling with its auditors over the implementation of more conservative accounting principles.

Some Spring Ram directors feel its auditors were too conservative in its accounting methods in order to counteract the damage of last year's revelation of false accounting at its Batterley Bathrooms subsidiary.

Stagecoach tag could exceed £120m

By James Buxton, Scottish Correspondent

STAGECOACH, the Perth-based company which operates bus services all over the UK and in Kenya, Malawi and New Zealand, is planning to raise £200m through a Stock Exchange flotation next month which could value the company at more than £120m.

The company, which has expanded rapidly through the acquisition of privatised bus companies in the UK and abroad, is forecasting pre-tax profits of £12.8m for the year to April 30 1993, up from £8.24m on continuing operations in 1992. Turnover was £104.3m for the 36 weeks to January 9 1993, compared with full year turnover of £131.4m in 1992.

The pathfinder prospectus for the flotation is issued today. The sponsor is Noble Grossart, Edinburgh merchant bank, and stockbroker UBS Phillips & Drew.

Analysts believe the shares could command a price earnings ratio of between 13.5 and 14.5. They believe the company would be valued at over £120m.



Brian Souter: other acquisitions identified

After flotation, which will lead to borrowings of about £200m being replaced by equity, Stagecoach will save about £2m in interest charges, which will raise the forecasted earnings per share from the 7.5p stated to about 8.5p. After flotation Stagecoach will have net assets of £45m.

Channel Hlds expands its security side

By Joan Marshall

Channel Holdings, the former investment company known as Channel Tunnel Investments, is taking a further step in transforming itself into an industrial group with the acquisition of CQR, a security alarm master, from Expanet International, for £1.75m in cash.

Because of the size of the transaction CH requested a halt to dealings in the company's shares on Friday. They stood at 25p.

Under the deal Channel has also agreed to procure that CQR repays £2.08m inter-company debt to Expanet. Also, on completion, CQR will repay a £647,000 loan to Expanet from its own resources.

To finance the acquisition Channel proposes to raise about £4.1m by way of a placing of 8.74m new ordinary shares and a rights issue of 9.09m new ordinary, both at 23p per share. The rights will be on the basis of 3-for-5 ordinary and 3-for-1 preference shares.

This acquisition follows the purchase of Carflow Products last August.

Fenchurch Group seeks listing

By Christopher Price

A GROWING market share and optimism over prospects for the London insurance market were among the reasons given yesterday by Fenchurch Group for its plans to seek a stock market listing, probably early next year.

Insurance analysts estimate it could be worth up to £80m.

Fenchurch, which specialises in insurance broking and as Lloyd's agent, was bought by management in 1989 from GPG for £36m.

Its former chairman, Mr Geoffrey Knight, who led the MBO team, retired last week to be succeeded by Mr Rupert Hambro.

Profits fell last year from £7.3m to £5.45m, but Mr Roger Earl, the group's managing director, said these reflected the start-up costs of the group's expanding activities.

"We have laid the foundations in the past year for revenue earners which should come through to the balance sheet in the next 12 months. The signs are very encouraging," he said.

Last month, Fenchurch won the contract to insure the former Soviet Union's trading fleet.

The contract for the 117-strong Sovcomflot, one of the biggest commercial fleets in the world, was worth a "high six-figure number".

according to Mr Earl, and complemented similar business deals struck in Cuba and North Korea.

Fenchurch has also opened offices in the past year in Germany, Switzerland and a management consultancy in Texas, as well as additions to the group's core operations in London.

All businesses were now operating in the black, said Mr Earl.

He added that the group's debt of £21m would be reduced significantly with the proceeds from the flotation.

It would also give Fenchurch the chance to pay its first dividend to the 250 shareholders among its 550 staff.

£32m buy-out at Lombard Continental

By Christopher Price

LOMBARD Continental Insurance, the provincial insurance arm of US group Continental Insurance Company, is to be bought by its management for £32m.

The new company will begin trading in June and includes all the incumbent senior man-

agement currently responsible for the provincial business.

In 1992, Lombard Continental had gross premium income of £70m - 65 per cent of which came from personal insurance.

Mr Andrew Laing, the new managing director, said: "Our business will continue to focus on the provincial insurance market. The current hardening of rates in the insurance market and our selective underwriting policy provide us with

every opportunity to develop our business successfully."

Mr Laing added that an independent chairman was presently being sought. Two non-executive directors are also to be appointed, one of which is to be a nominee for Electra Kingsway, the lead investor in the venture.

Other institutional investors include Phoenix Development Capital Fund, Bank of Boston and Brown Shipley Venture Managers.

CROSS BORDER M&A DEALS				
BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT
The Telegraph (UK)	Southam (Canada)	Newspapers	£72.3	Recommending stake purchase
Amerisam International (UK)	United States Biochemical (US)	Biotechnology	£48m	Strategic purchase
Pentland Group (UK)	Woods Wire (US)	Cables	£28m	Cash + debt deal
Inchcape (UK)	Reverber (Switzerland)	Vehicle distribution	£18.2	Continuing buys in sector
Energy Development Corp (US)	Brabant Resources (UK)	Oil & gas	£3.8m	White knight emerges
Scape Group (UK)	SABA (France)	Adhesives	£5m	Cash buy from Canning
Sandoz Chemicals (US)	Unit of Cookson Group (UK)	Colour concentrates	n/a	Non-core disposal
Credit Lyonnais (France)	Banco de Lima (Peru)	Banking	n/a	Control regained
Avon Rubber/UK/Investor Group (Saudi Arabia)	Joint venture	Tyres	£100m	Manufacturing venture
Meeco (Hong Kong)/CXIC (China)	Tamco (JV)	Aircraft maintenance	£45m	Xi'an-based venture

SWISS BANK CORPORATION
121st Annual General Meeting

Notice is hereby given that the 121st Annual General Meeting of Swiss Bank Corporation will be held in the Festhall of the Swiss Industries Fair (entrance "Messeplatz") in Basel, Switzerland on Wednesday, April 14, 1993 at 3 pm.

The Annual Report will be mailed to shareholders on request.

Basel, March 10, 1993
For the Board of Directors
Dr. Franz Galliker - Chairman

KOREA EXCHANGE BANK
Korea Exchange Bank
USD 100,000,000
Floating Rate Notes
Due 1997

Interest Rate: 3.775%
Interest Period: From 22nd March, 1993 to 22nd September, 1993
Interest Payable per USD 250,000 Note: USD 4,823.61
USD 500,000 Note: USD 9,647.22
By Fuji Bank (Luxembourg) S.A.
Agent Bank

BANQUE NATIONALE DE PARIS
USD 300,000,000
Floating Rate Notes 1995/2005

The amount of interest for the interest period beginning on 17.03.93 and ending on 21.04.93 as fixed by the reference agent will be USD 510.42 per USD 100,000.00 notes being a rate about 5.25 per cent.

INTERNATIONAL BONDS

Eurosterling issues on course for a bumper year

EXPECTATIONS of a flood of Eurosterling issues in the international bond market have been fulfilled during the last few weeks, and the rush does not appear to be over yet.

According to the new international bond issues tables published daily by the Financial Times, volume of new sterling issues has reached \$3.1bn, compared with just under \$3bn at the same stage last year, when UK bond yields were significantly higher.

In view of the prolific start to the year, last year's total of \$13.7bn of new sterling Eurobond issues looks an easy target to beat. Syndicate managers believe that a total of between \$16bn and \$20bn could be raised in the international bond market by the end of 1993.

The overriding reason for the high new-issue activity in this sector is clearly the fall in UK interest rates to their lowest level since the 1970s.

This has prompted an increasing number of foreign and domestic issuers to take out fixed-rate borrowings at what they regard as attractive, absolute levels. The Eurosterling sector has also offered attractive interest-rate swap opportunities to borrowers, especially at the shorter end of the yield curve.

At the same time, there has been a marked increase in demand from domestic investors for fixed-income instruments that offer higher yields than short-term cash deposits.

In addition, an improving outlook for the UK economy, together with sterling's recent recovery on the foreign exchanges, has whetted the appetite of international investors for sterling-denominated paper.

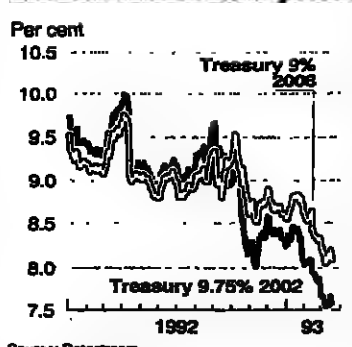
"The time is right for borrowers and for investors," said one syndicate manager.

Several of the sterling-denominated deals rumoured in the market have surfaced. British Gas tapped the market for \$240m, followed by Abbey National, which raised \$950m of 10-year Eurobonds - a record for a single Eurosterling transaction. Last week, the Republic of Finland launched its \$500m, 10-year Eurobond issue.

However, syndicate managers expect more non-sovereign borrowers to tap the market before the Easter break, encouraged by the strength of the UK government bond market in the wake of the UK Budget and the latest reduction in German interest rates.

A significant portion of the sterling-denominated paper issued so far this year has been raised by financial institutions looking to bolster their capital base.

UK Benchmark bond yields



Source: Datastream

This trend continued last week, as HSBC Holdings and Lloyds Bank both launched long-dated subordinated Eurobond issues, of \$250m and \$200m respectively. Both deals were well-received by the market, resulting in a tightening in the yield spreads over comparable gilts on these issues.

Continued demand from investors for high-yielding, long-dated paper has fuelled speculation that the other two UK clearing banks, Barclays and National Westminster, will launch similar deals in the near future.

Corporate issuers are also said to be closely studying the Eurosterling

market, especially now that the 1992 corporate reporting season is almost at a close.

Mr Frank Kennedy, sterling bond analyst at S.G. Warburg Securities, notes that investor demand for non-gilt sterling paper has contributed to the sharp drop in the yield spread that corporate borrowers have to pay over gilts.

According to S.G. Warburg Securities' corporate unsecured index, the spread over gilts for maturities of 10 years or more has fallen from 153 basis points at the end of 1992 to 130 basis points at the end of last week.

"The performance from non-gilt sterling paper has been very strong, but investors still find the spread attractive," says Mr Kennedy.

He warns that the level of corporate borrowing this year may fall short of the market's expectations, in spite of hopes for an economic upturn. Furthermore, some corporate treasurers may hold out a little longer, especially if they believe that interest rates have further to fall.

Nevertheless, there is general agreement among syndicate managers that the sterling sector will be much more active and profitable in 1993 than it was last year.

It is too early to say which house will get the biggest slice of the

action, and the volume figures so far this year are to a certain extent distorted by the large transactions mentioned earlier. But those volume figures still make interesting reading.

At the end of last week, S.G. Warburg Securities was in the lead, with £1.4bn, or around 17 per cent of the volume, followed by CSFB with around 14 per cent and Samuel Montagu with 13 per cent.

But the real surprise is Goldman Sachs, which has appeared from virtually nowhere (it arranged a modest \$350m of sterling Eurobond issues last year) to fourth place in the sterling league table, with \$300m, or 11.5 per cent of volume so far in 1993.

Goldman Sachs is the only US house with a significant presence to date in the sterling primary market. It has also raised its profile by jointly arranging the deals for British Gas, Abbey National and Lloyds Bank.

Mr Michael Sherwood, head of syndicate at Goldman Sachs, attributes this achievement to the house's strategy of developing its secondary market trading before going into the primary market. "We now feel very comfortable in the primary market," he says.

Antonia Sharpe

RISK AND REWARD

Regulators offer blueprint for US futures industry



A PROPOSED change in US regulations could put the US futures market on a more even footing with the over-the-counter swaps market, at a time when competition between the two markets is intensifying.

US futures exchanges also hope that a more liberal environment will help stem their loss of market share to European exchanges.

Last week, Mr William Albrecht, acting chairman of the Commodity Futures Trading Commission (CFTC), which regulates futures trading, put forward ambitious proposals for the liberalisation of rules governing US futures exchanges. Speaking at the annual Futures Industry Association conference in Boca Raton, Florida, Mr Albrecht said he had asked the CFTC's staff to draft a proposed rule that exchange products traded on electronic systems and used by institutional investors should be exempt from most CFTC regulations.

This would mean that, apart from rules governing manipulation and fraud, exchanges meeting these requirements would not have to seek CFTC approval for new contracts, rule changes, and so on.

In practice, it would allow exchanges to enter part of the territory currently controlled by the OTC market. In particular, it would make it easier for them to break into the \$4,000bn swaps market.

US exchange officials tend to have a rather ambivalent attitude to the swaps market.

On the one hand, they realise that banks and securities houses in the swaps market are also active users of futures markets, to lay off risks. On the other hand, they are also aware that the growth of the OTC market has been generated by that market's ability to tailor OTC products to specific client needs.

Last year, it was confirmed that swaps were exempt from CFTC futures regulations. Consequently, the swaps market is not directly regulated, but most of the players are (either by the Securities and Exchange Commission in the case of securities houses, or by the Federal Reserve in the case of banks).

Tracy Corrigan

NEW INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Book runner	Offer yield %
US DOLLARS							
Toyota Engineering Corp. (J)	200	Mar. 1997	4	1.875	100	Yamaichi Int'l (Europe)	-
Procter & Gamble (J)	100	Mar. 1998	5	2.75	100	Nomura International	-
Province of Quebec (J)	100	Apr. 2003	10	(4)	100	Deutsche Bk. London	-
EDF (J)	100	Apr. 2000	7	(4)	99.875	Merill Lynch Int'l	-
Nippon Yusen K.K. (J)	100	Apr. 1997	4	(4)	100	HSBC Europe	-
African Development Bank	500	Apr. 2003	30	7.375	98.58	G. Sachs/J.P. Morgan	7.497
BAT Capital Corporation	400	Apr. 1998	5	6	101.085	CSFB	5.742
Kelco Electric Railway (J)	200	Apr. 1997	4	1.625	100	Nomura International	-
AGN Arco Chemicals (J)	100	Apr. 2005	12	(4)	99.825	Latham Brothers Int'l	-
US Schlumberger Holdings, Ltd.	250	Apr. 1998	3	4.625	101.125	Deutsche Bank	-
Natl. Health Investors (J)	87.2	Apr. 1998	5.52	7.375	100	Natl. West Securities	-
WestLB Fin. Curacao (J)	150	Mar. 2003	10	(4)	100	Merill Lynch Int'l	-
Bentley Trust NY Corp. (J)	100	Apr. 2005	12	(4)	100	Kidder Peabody Int'l	-
YEN							
Fuji Bank Int'l Finance (J)	350n	(4)	(4)	(4)	100	Fuji Int'l Finance	-
Fuji Bank Int'l Finance (J)	150n	(4)	(4)	(4)	100	Yamaichi Int'l (Europe)	-
D-MARKS							
KW Int'l Finance USA	1.5bn	Apr. 2003	10	6.625	101.475	Dresdner Bank	6.421
Kingdom of Denmark	700	Apr. 1998	5	6.125	101.375	WestLB	5.900
Deutsche Bank (J)	400	Apr. 2003	10	(4)	100	Tirakus & Burkhart	-
Helaba (J)	100	Apr. 1998	5	6	99.8	Deutsche Bank	-
Deutsche Fin. (J)	200	Apr. 2003	10	(4)	100.95	Deutsche Bank	-
US Schlumberger Holdings, Ltd.	50	Mar. 2003	10	(4)	101.195	Morgan Stanley	-
FRENCH FRANCS							
COFIB	500	Apr. 1998	5	(4)	101.525	COF	-
Credit Local de France (J)	750	Apr. 2000	7	(4)	100	COF	-
STERLING							
Euro-Coal & Steel Corpn. (J)	20	May 2017	24.15	9.875	108.494	BZW	8.502
HSBC Holdings (J)	200	Apr. 2018	25	9.875	98.892	Samuel Montagu	10.029
Republic of Finland	200	Apr. 2003	10	8	99.125	CSFB/SG Warburg	8.131
HSBC Holdings (J)	30	Apr. 2018	25	9.875	99.022	Samuel Montagu	9.990
UK POUNDS							
Lloyds Bank	200	Apr. 2003	30	9.825	101.254	G. Sachs/SG Warburg	9.437
CANADIAN DOLLARS							
Finland Export Credit (J)	25	Oct. 1998	5.5	7.75	100.95	Harris Bank	7.517
Deutsche Finance (J)	300	Apr. 1998	5	7.125	100.193	Deutsche Bk. London	7.078
Bell Canada	200	Apr. 1998	5	7.875	101.85	UBS P&W Wood Gundy	7.419
ITALIAN LIRA							
US Bank/Warburg Fin.	2000n	Apr. 2003	10	10.75	101.15	SAI Milan	10.588
Commerzbank O'sess, Cur.	1500n	Apr. 2000	7	10.5	101.75	IMB Bank Luxembourg	10.408
SWISS FRANCS							
Nikon Kodan Corp. (J)	70	Mar. 1997	4	1	100	Yamaichi Bank (Switz.)	-
SNCF	300	Apr. 2001	8	4.5	101.375	UBS	4.285
Bk. of Zurich Municipalities	150	May 2001	8	4.75	102.75	Swiss Bank Corp.	4.336
COFIB (J)	75	Apr. 2003	10	5	102	CEG Gamsel	4.744
LUXEMBOURG FRANCS							
Arbed	1.5bn	Apr. 2000	7	8.125	102	BIL	7.744

ADVERTISEMENT

LAC MINERALS LTD.



Michael B. Richings

Lac Minerals is pleased to announce the appointment of Michael B. Richings as Senior Vice President. Mr. Richings will be responsible for the feasibility evaluation and development of major new projects derived from exploration, acquisitions and joint ventures for the Company worldwide. A mine engineer with 20 years experience in hard rock, precious and base metal mining, he has been involved in a number of projects internationally, most recently in the United States.

A graduate of the Camborne School of Mines in the United Kingdom, Mr. Richings also holds a M.Sc., Mine Engineering from Queen's University in Kingston, Lac Minerals Ltd. mines gold, copper, zinc, silver and aggregates in North and South America.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY.

The announcement is issued by Greystone International Limited and is directed at informing professional investors of a kind specified in paragraph (1) of Article 2 of The Financial Services Act 1986 (Investment Advertisements) (Exemptions) (No. 2) Order 1992. No enquiries in response to this announcement will be entertained from any other person.

The shares of the following funds have been admitted to the Official List of The Irish Stock Exchange with effect from 18 March 1993.

The Campbell Dynamic Fund Ltd.
The Cheng Crowell Fund Ltd.
The PRAGMA Gamma Fund Ltd.
The SJO International Fund Ltd.
The Gandon Fund Ltd.

The Manager of all the funds is Greystone Partners, an international fund management group.

The listing of the first four funds is sponsored by NCB Stockbrokers Limited, a member of The Securities and Futures Authority. The listing of The Gandon Fund Ltd. is sponsored by J & E Davy, also a member of The Securities and Futures Authority.

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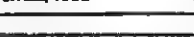
Province of Quebec

Floating Rate Notes Due 1999

Notice is hereby given that for the interest period from March 22, 1993 to June 22, 1993 the Notes will carry an interest rate of 3.6125%.

The interest payable on the relevant interest payment date, June 22, 1993 will be \$1,468,164 per \$500,000,000 nominal amount.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank
March 22, 1993



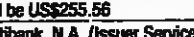
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By: The Chase Manhattan Bank, N.A.
London, Agent Bank
March 22, 1993

Province of Quebec

Floating Rate Notes Due 1999

Notice is hereby given that for the interest period from March

● Unit Trust prices are available from FT Cityline, call 0891 43 + the five-digit code listed after the unit trusts. Calls charged at 36p/minute cheap rate and 48p/minute at all other times.

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● Unit Trust prices are available from FT Cityline, call 0891 43 + the five-digit code listed after the unit trusts. Calls charged at 36p/minute cheap rate and 48p/minute at all other times.

Test for f

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGE AND MONEY MARKETS

Test for franc

THE FOCUS in foreign exchange markets this week will be on the French franc and whether it moves nearer to its floor against the D-Mark in the exchange rate mechanism, writes James Blair.

Last week's decision by the Bundesbank's policy-making council to reduce its discount rate by 50 basis points triggered this latest bout of weakness for the French currency.

UK clearing bank has lending rate 6 per cent from January 26, 1993

The results of yesterday's first round in the French parliamentary election could also have a significant impact on the franc in the next few days.

According to Mr Paul Chertkow, global currency strategist at UBS Phillips and Drew in London, the market was disappointed that the effective ceiling for German rates was not reduced by the Bundesbank on Thursday. However, he believes that

foreign exchange dealers had not appreciated that a cut in the Lombard rate would have been technically difficult because of the high level of call money, which, on Friday, was at 8.58 per cent. The recent changes in minimum reserve requirements have temporarily kept the cost of call money high.

Mr Chertkow believes that the pressure on the franc will be alleviated if the Bundesbank cuts the rate at which it offers funds to commercial banks by 25 basis points to 8.00 per cent tomorrow.

"If you cut rates now, we will clearly have seen in the course of this year the establishment of an accommodative posture by the Bundesbank," he said.

Even if the Bundesbank does ease the repo rate again, there will still be concerns that a new right-wing French government might abandon the franc fort policy. The market may be anxious to see that an easing in German rates is followed by a fall in French ones.

POUND SPOT - FORWARD AGAINST THE POUND

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

EXCHANGE CROSS RATES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

EURO-CURRENCY INTEREST RATES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

FT INTERBANK FIXING

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

MONEY RATES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

LONDON MONEY RATES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

FT-ACTUARIES WORLD INDICES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

LONDON RECENT ISSUES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

FIXED INTEREST STOCKS

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

RIGHTS OFFERS

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

BANK OF ENGLAND TREASURY BILL TENDER

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

WEEKLY CHANGE IN MONEY INTEREST RATES

Mar 19	Day's	One	One	Three	Three
Mar 19	Month	Month	Month	Month	Month
US	1.4770	1.4770	1.4770	1.4770	1.4770
Canada	1.4770	1.4770	1.4770	1.4770	1.4770
France	1.4770	1.4770	1.4770	1.4770	1.4770
Germany	1.4770	1.4770	1.4770	1.4770	1.4770
Italy	1.4770	1.4770	1.4770	1.4770	1.4770
Spain	1.4770	1.4770	1.4770	1.4770	1.4770
Sweden	1.4770	1.4770	1.4770	1.4770	1.4770
Switzerland	1.4770	1.4770	1.4770	1.4770	1.4770
Japan	1.4770	1.4770	1.4770	1.4770	1.4770
South Africa	1.4770	1.4770	1.4770	1.4770	1.4770
UK	1.4770	1.4770	1.4770	1.4770	1.4770

BASE LENDING RATES

Mar 19	Day's	One	One	Three	Three
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	Notes	Price	Charges	Wt. %	Der.	Gr.
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State	1994	1993	1992	1991	1990
Ala	100	100	100	100	100
Ala 2nd Dist	100	100	100	100	100
Ala 3rd Dist	100	100	100	100	100
Ala 4th Dist	100	100	100	100	100
Ala 5th Dist	100	100	100	100	100
Ala 6th Dist	100	100	100	100	100
Ala 7th Dist	100	100	100	100	100
Ala 8th Dist	100	100	100	100	100
Ala 9th Dist	100	100	100	100	100
Ala 10th Dist	100	100	100	100	100
Ala 11th Dist	100	100	100	100	100
Ala 12th Dist	100	100	100	100	100
Ala 13th Dist	100	100	100	100	100
Ala 14th Dist	100	100	100	100	100
Ala 15th Dist	100	100	100	100	100
Ala 16th Dist	100	100	100	100	100
Ala 17th Dist	100	100	100	100	100
Ala 18th Dist	100	100	100	100	100
Ala 19th Dist	100	100	100	100	100
Ala 20th Dist	100	100	100	100	100
Ala 21st Dist	100	100	100	100	100
Ala 22nd Dist	100	100	100	100	100
Ala 23rd Dist	100	100	100	100	100
Ala 24th Dist	100	100	100	100	100
Ala 25th Dist	100	100	100	100	100
Ala 26th Dist	100	100	100	100	100
Ala 27th Dist	100	100	100	100	100
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Ala 31st Dist	100	100	100	100	100
Ala 32nd Dist	100	100	100	100	100
Ala 33rd Dist	100	100	100	100	100
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Ala 36th Dist	100	100	100	100	100
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Ala 59th Dist	100	100	100	100	100
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Home City & County	36	-3.5																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
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UNITED STATES - Cont.		1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380																																																																																																																																																																																																																																																																																																																																																																									
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76	16.9	Q310a	3.0	Feb	Mar	12.8	1857
87	5.3	Q1910c	1.0	Mar	Sep	27.2	2080
96	-2.1	Q300	3.0	Feb	Mar	31.8	2330
12	-7.7	-	-	-	-	6799	2394
252	5.5	Q1930c	1.6	Aug	Feb	30.2	1082
184	2.8	Q300	3.5	Mar	Sep	12.8	2432
197	0.6	Q556c	1.3	Jan	Jul	20.2	2041
218	2.8	Q300c	3.3	Feb	Aug	30.2	3104
24	9.4	Q2210c	1.0	Sep	Mar	12.8	4006
47	4.4	Q300c	φ	Mar	-	28.1	4117
230	10.1	Q1910a	2.6	Mar	Sep	15.2	4382
60	13.8	-	-	-	-	1787	4478
7	6.1	Q310c	3.8	Mar	Sep	12.8	4477
22	-919c	-	1.0	Aug	Mar	3	1234

[illegible]

Share Service
Following changes have been made to the Share Service Additions: Martin Intl. Gro. Zero Div. Pnt. (Investment Trusts) and Black Diamonds: Brado and Tpc Co. Pnt (C/ (Contg. & Construction), McInerney and (arty) and Falcon (Mines).

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NYSE COMPOSITE PRICES

NASDAQ NATIONAL MARKET

Continued from previous page									
Stock	Chg	High	Low	Open	Close	Volume	Bid	Ask	Spread
IBM Corp	1.25	125.50	124.50	124.50	125.75	1,200,000	125.50	126.00	0.50
Microsoft	0.75	75.00	74.00	74.00	74.75	800,000	74.50	75.00	0.50
Oracle Corp	0.50	50.00	49.00	49.00	49.50	400,000	49.25	49.75	0.50
Amazon.com	0.25	25.00	24.00	24.00	24.25	200,000	24.00	24.50	0.50
Yahoo! Inc	0.10	10.00	9.50	9.50	9.60	100,000	9.40	9.80	0.40
Google Inc	0.15	15.00	14.50	14.50	14.65	150,000	14.40	14.90	0.50
Facebook Inc	0.05	5.00	4.80	4.80	4.85	50,000	4.70	4.90	0.20
Twitter Inc	0.02	2.00	1.90	1.90	1.92	20,000	1.80	1.95	0.15
LinkedIn Corp	0.01	1.00	0.95	0.95	0.96	10,000	0.90	0.98	0.08
Dropbox Inc	0.03	3.00	2.80	2.80	2.83	15,000	2.70	2.90	0.20
Slack Inc	0.04	4.00	3.80	3.80	3.84	12,000	3.70	3.90	0.20
Zoom Video	0.06	6.00	5.80	5.80	5.86	18,000	5.70	5.90	0.20
Twilio Inc	0.08	8.00	7.80	7.80	7.88	14,000	7.70	7.90	0.20
SendGrid Inc	0.01	1.00	0.95	0.95	0.96	8,000	0.90	0.98	0.08
MailChimp Inc	0.02	2.00	1.90	1.90	1.92	6,000	1.80	1.95	0.15
HubSpot Inc	0.03	3.00	2.80	2.80	2.83	7,000	2.70	2.90	0.20
Marketo Inc	0.04	4.00	3.80	3.80	3.84	5,000	3.70	3.90	0.20
Pardot Inc	0.05	5.00	4.80	4.80	4.85	4,000	4.70	4.90	0.20
Braze Inc	0.06	6.00	5.80	5.80	5.86	3,000	5.70	5.90	0.20
Iterable Inc	0.07	7.00	6.80	6.80	6.87	2,000	6.70	6.90	0.20
Optimizely Inc	0.08	8.00	7.80	7.80	7.88	1,500	7.70	7.90	0.20
Unbounce Inc	0.09	9.00	8.80	8.80	8.89	1,000	8.70	8.90	0.20
Leadpages Inc	0.10	10.00	9.80	9.80	9.90	800	9.70	9.90	0.20
ClickFunnels Inc	0.11	11.00	10.80	10.80	10.91	600	10.70	10.90	0.20
SumoMe Inc	0.12	12.00	11.80	11.80	11.92	400	11.70	11.90	0.20
Monetate Inc	0.13	13.00	12.80	12.80	12.93	300	12.70	12.90	0.20
Relevant Inc	0.14	14.00	13.80	13.80	13.94	200	13.70	13.90	0.20
Bluewin Inc	0.15	15.00	14.80	14.80	14.95	150	14.70	14.90	0.20
AdRoll Inc	0.16	16.00	15.80	15.80	15.96	100	15.70	15.90	0.20
AdMob Inc	0.17	17.00	16.80	16.80	16.97	80	16.70	16.90	0.20
AdSense Inc	0.18	18.00	17.80	17.80	17.98	60	17.70	17.90	0.20
AdWords Inc	0.19	19.00	18.80	18.80	18.99	40	18.70	18.90	0.20
AdSense for Search	0.20	20.00	19.80	19.80	19.99	20	19.70	19.90	0.20
AdSense for Display	0.21	21.00	20.80	20.80	20.99	10	20.70	20.90	0.20
AdSense for Video	0.22	22.00	21.80	21.80	21.99	5	21.70	21.90	0.20
AdSense for Mobile	0.23	23.00	22.80	22.80	22.99	2	22.70	22.90	0.20
AdSense for Email	0.24	24.00	23.80	23.80	23.99	1	23.70	23.90	0.20
AdSense for Voice	0.25	25.00	24.80	24.80	24.99	0	24.70	24.90	0.20
AdSense for Location	0.26	26.00	25.80	25.80	25.99	0	25.70	25.90	0.20
AdSense for Activity	0.27	27.00	26.80	26.80	26.99	0	26.70	26.90	0.20
AdSense for Interests	0.28	28.00	27.80	27.80	27.99	0	27.70	27.90	0.20
AdSense for Demographics	0.29	29.00	28.80	28.80	28.99	0	28.70	28.90	0.20
AdSense for Custom	0.30	30.00	29.80	29.80	29.99	0	29.70	29.90	0.20
AdSense for Remarketing	0.31	31.00	30.80	30.80	30.99	0	30.70	30.90	0.20
AdSense for Display Advertising	0.32	32.00	31.80	31.80	31.99	0	31.70	31.90	0.20
AdSense for Video Advertising	0.33	33.00	32.80	32.80	32.99	0	32.70	32.90	0.20
AdSense for Mobile Advertising	0.34	34.00	33.80	33.80	33.99	0	33.70	33.90	0.20
AdSense for Email Advertising	0.35	35.00	34.80	34.80	34.99	0	34.70	34.90	0.20
AdSense for Voice Advertising	0.36	36.00	35.80	35.80	35.99	0	35.70	35.90	0.20
AdSense for Location Advertising	0.37	37.00	36.80	36.80	36.99	0	36.70	36.90	0.20
AdSense for Activity Advertising	0.38	38.00	37.80	37.80	37.99	0	37.70	37.90	0.20
AdSense for Interests Advertising	0.39	39.00	38.80	38.80	38.99	0	38.70	38.90	0.20
AdSense for Demographics Advertising	0.40	40.00	39.80	39.80	39.99	0	39.70	39.90	0.20
AdSense for Custom Advertising	0.41	41.00	40.80	40.80	40.99	0	40.70	40.90	0.20
AdSense for Remarketing Advertising	0.42	42.00	41.80	41.80	41.99	0	41.70	41.90	0.20
AdSense for Display Advertising	0.43	43.00	42.80	42.80	42.99	0	42.70	42.90	0.20
AdSense for Video Advertising	0.44	44.00	43.80	43.80	43.99	0	43.70	43.90	0.20
AdSense for Mobile Advertising	0.45	45.00	44.80	44.80	44.99	0	44.70	44.90	0.20
AdSense for Email Advertising	0.46	46.00	45.80	45.80	45.99	0	45.70	45.90	0.20
AdSense for Voice Advertising	0.47	47.00	46.80	46.80	46.99	0	46.70	46.90	0.20
AdSense for Location Advertising	0.48	48.00	47.80	47.80	47.99	0	47.70	47.90	0.20
AdSense for Activity Advertising	0.49	49.00	48.80	48.80	48.99	0	48.70	48.90	0.20
AdSense for Interests Advertising	0.50	50.00	49.80	49.80	49.99	0	49.70	49.90	0.20
AdSense for Demographics Advertising	0.51	51.00	50.80	50.80	50.99	0	50.70	50.90	0.20
AdSense for Custom Advertising	0.52	52.00	51.80	51.80	51.99	0	51.70	51.90	0.20
AdSense for Remarketing Advertising	0.53	53.00	52.80	52.80	52.99	0	52.70	52.90	0.20
AdSense for Display Advertising	0.54	54.00	53.80	53.80	53.99	0	53.70	53.90	0.20
AdSense for Video Advertising	0.55	55.00	54.80	54.80	54.99	0	54.70	54.90	0.20
AdSense for Mobile Advertising	0.56	56.00	55.80	55.80	55.99	0	55.70	55.90	0.20
AdSense for Email Advertising	0.57	57.00	56.80	56.80	56.99	0	56.70	56.90	0.20
AdSense for Voice Advertising	0.58	58.00	57.80	57.80	57.99	0	57.70	57.90	0.20
AdSense for Location Advertising	0.59	59.00	58.80	58.80	58.99	0	58.70	58.90	0.20
AdSense for Activity Advertising	0.60	60.00	59.80	59.80	59.99	0	59.70	59.90	0.20
AdSense for Interests Advertising	0.61	61.00	60.80	60.80	60.99	0	60.70	60.90	0.20
AdSense for Demographics Advertising	0.62	62.00	61.80	61.80	61.99	0	61.70	61.90	0.20
AdSense for Custom Advertising	0.63	63.00	62.80	62.80	62.99	0	62.70	62.90	0.20
AdSense for Remarketing Advertising	0.64	64.00	63.80	63.80	63.99	0	63.70	63.90	0.20
AdSense for Display Advertising	0.65	65.00	64.80	64.80	64.99	0	64.70	64.90	0.20
AdSense for Video Advertising	0.66	66.00	65.80	65.80	65.99	0	65.70	65.90	0.20
AdSense for Mobile Advertising	0.67	67.00	66.80	66.80	66.99	0	66.70	66.90	0.20
AdSense for Email Advertising	0.68	68.00	67.80	67.80	67.99	0	67.70	67.90	0.20
AdSense for Voice Advertising	0.69	69.00	68.80	68.80	68.99	0	68.70	68.90	0.20
AdSense for Location Advertising	0.70	70.00	69.80	69.80	69.99	0	69.70	69.90	0.20
AdSense for Activity Advertising	0.71	71.00	70.80	70.80	70.99	0	70.70	70.90	0.20
AdSense for Interests Advertising	0.72	72.00	71.80	71.80	71.99	0	71.70	71.90	0.20
AdSense for Demographics Advertising	0.73	73.00	72.80	72.80	72.99	0	72.70	72.90	0.20
AdSense for Custom Advertising	0.74	74.00	73.80	73.80	73.99	0	73.70	73.90	0.20
AdSense for Remarketing Advertising	0.75	75.00	74.80	74.80	74.99	0	74.70	74.90	0.20
AdSense for Display Advertising	0.76	76.00	75.80	75.80	75.99	0	75.70	75.90	0.20
AdSense for Video Advertising	0.77	77.00	76.80	76.80	76.99	0	76.70	76.90	0.20
AdSense for Mobile Advertising	0.78	78.00	77.80	77.80	77.99	0	77.70	77.90	0.20
AdSense for Email Advertising	0.79	79.00	78.80	78.80	78.99	0	78.70	78.90	0.20
AdSense for Voice Advertising	0.80	80.00	79.80	79.80	79.99	0	79.70	79.90	0.20
AdSense for Location Advertising	0.81	81.00	80.80	80.80	80.99	0	80.70	80.90	0.20
AdSense for Activity Advertising	0.82	82.00	81.80	81.80	81.99	0	81.70	81.90	0.20
AdSense for Interests Advertising	0.83	83.00	82.80	82.80	82.99	0	82.70	82.90	0.20
AdSense for Demographics Advertising	0.84	84.00	83.80	83.80	83.99	0	83.70	83.90	0.20
AdSense for Custom Advertising	0.85	85.00	84.80	84.80	84.99	0	84.70	84.90	0.20
AdSense for Remarketing Advertising	0.86	86.00	85.80	85.80	85.99	0	85.70	85.90	0.20
AdSense for Display Advertising	0.87	87.00	86.80	86.80	86.99	0	86.70	86.90	0.20
AdSense for Video Advertising	0.88	88.00	87.80	87.80	87.99	0	87.70	87.90	0.20
AdSense for Mobile Advertising	0.89	89.00	88.80	88.80	88.99	0	88.70	88.90	0.20
AdSense for Email Advertising	0.90	90.00	89.80	89.80	89.99	0	89.70	89.90	0.20
AdSense for Voice Advertising	0.91	91.00	90.80	90.80	90.99	0	90.70	90.90	0.20
AdSense for Location Advertising	0.92	92.00	91.80	91.80	91.99	0	91.70	91.90	0.20
AdSense for Activity Advertising	0.93	93.00	92.80	92.80	92.99	0	92.70	92.90	0.20
AdSense for Interests Advertising	0.94	94.00	93.80	93.80	93.99	0	93.70	93.90	0.20
AdSense for Demographics Advertising	0.95	95.00	94.80	94.80	94.99	0	94.70	94.90	0.20
AdSense for Custom Advertising	0.96	96.00	95.80	95.80	95.99	0	95.70	95.90	0.20
AdSense for Remarketing Advertising	0.97	97.00	96.80	96.80	96.99	0	96.70	96.90	0.20
AdSense for Display Advertising	0.98	98.00	97.80	97.80	97.99	0	97.70	97.90	0.20
AdSense for Video Advertising	0.99	99.00	98.80	98.80	98.99	0	98.70	98.90	0.20
AdSense for Mobile Advertising	1.00	100.00	99.80	99.80	99.99	0	99.70	99.90	0.20

AMC COMPOSITE PRICES

Stock	Chg	High	Low	Open	Close	Volume	Bid	Ask	Spread
IBM Corp	1.25	125.50	124.50	124.50	125.75	1,200,000	125.50	126.00	0.50
Microsoft	0.75	75.00	74.00	74.00	74.75	800,000	74.50	75.00	0.50
Oracle Corp	0.50	50.00	49.00	49.00	49.50	400,000	49.25	49.75	0.50
Amazon.com	0.25	25.00	24.00	24.00	24.25	200,000	24.00	24.50	0.50
Yahoo! Inc	0.10	10.00	9.50	9.50	9.60	100,000	9.40	9.80	0.40
Google Inc	0.15	15.00	14.50	14.50	14.65	150,000	14.40	14.90	0.50
Facebook Inc	0.05	5.00	4.80	4.80	4.85	50,000	4.70	4.90	0.20
Twitter Inc	0.02	2.00	1.90	1.90	1.92	20,000	1.80		

